

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
11th Day

Monday, March 2, 1970.

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day

WELCOME TO STUDENTS

Mr. Speaker: — Before the business of the Legislature I wish to introduce to all the Members of the House the following groups of students situated in the galleries: 65 students from Caswell school from the constituency of Saskatoon Mayfair, represented by the Member, Mr. Brockelbank; 43 students from the Delisle composite school from the constituency of Biggar, represented by the Leader of the Opposition, Mr. Lloyd; 40 faculty members and students from the University of Regina Campus, Regina South the constituency of the Minister of Health (Mr. Grant) under the direction of their teacher, Mr. Tadros; the Delisle group is under the direction of their teacher, Mr. Chaladin, and the Caswell school group under the direction of their teachers, Mr. Deacon and Mr. McKenzie. I am sure all Members of the Legislature will wish to join with me in extending an extremely warm welcome to the Legislature, welcome them to the proceedings this afternoon when we will see the Estimates tabled and to wish them all a safe trip home.

Hon. Members: — Hear, hear!

ANNOUNCEMENT

SASKATCHEWAN WOMEN WIN CURLING CHAMPIONSHIP

Mr. J.E. Brockelbank (Saskatoon Mayfair): — Mr. Speaker, before the Orders of the Day I think it should not pass unnoticed that Saskatchewan has brought home the Canadian Women's Curling Championship. A rink skipped by Dorenda Schoenhals has captured the title for Saskatchewan and interestingly enough they are from the city of Saskatoon. I just by the way draw that to your attention. The skip of this rink, Dorenda Schoenhals was a curler for a number of years now. As a matter of fact she won the Saskatchewan Collegiate Championship when she was 15 years old. I hear some comment coming from my seatmate from Moose Jaw that she originated in Moose Jaw. I will have to admit that she did and give Moose Jaw a little bit of credit too. The skip was Dorenda Schoenhals and the other three members on the team were Joan Andersen, Linda Burnham and Cheryl Stirton. I think all Members will want to join with me in heartily congratulating this team of championship curlers.

Hon. Members: — Hear, hear!

Hon. D.G. Steuart (Provincial Treasurer): — Mr. Speaker, before the Orders of the Day I have a message from His Honour the Lieutenant Governor.

MOTION FOR COMMITTEE OF SUPPLY

Mr. Speaker: — The Lieutenant Governor transmits Estimates of certain sums required for the service of the Province of Saskatchewan for the 12 months ending March 31, 1971, and Supplementary Estimates of certain sums required for the service of the Province for the 12 months ending March 31, 1970, and recommends the same to the Legislative Assembly.

Mr. Steuart: — Mr. Speaker, I move, seconded by the Hon. Mr. Thatcher:

That His Honour's message, the Estimates and Supplementary Estimates be referred to the Committee of Supply.

Motion agreed to.

BUDGET DEBATE

Mr. Steuart: — Mr. Speaker, I would first like to congratulate you, since this is my first time in rising officially to speak in the House, on again filling the very important position that you do in this House and the very fair and able manner in which you discharge your important duties. I would like to join with everyone else in congratulating the new Lieutenant Governor, His Honour Dr. Stephen Worobetz, in saying how pleased that I am and the people of my constituency are, that he was selected and chose to serve in that capacity. I would like to congratulate the Member from Kelvington (Mr. Byers) for his success in the by-election and wish him a pleasant and short stay in the House.

Mr. Speaker, Saskatchewan in 1970 faces a situation that is unique in our history. We are caught between the forces of local recession and national inflation. Our dilemma is that the cure for the first feeds and encourages the second problem. The Budget I am about to introduce reflects our concern about these problems. Our record as a Government has also shown an awareness of these problems and a willingness to tackle them. We have held down, to reasonable levels, wage increases over which we had control. We have restricted Government spending in non-essential areas and encouraged municipalities to do the same. In addition, our borrowing has been kept to a minimum, a fact that will stand us in good stead when we find it necessary to go to the market. This line of action has been taken to fight inflation and to keep down local and provincial taxes both now and in the future.

Our policy of responsible government has been criticized by some sections of organized labor and by the NDP Socialists in Opposition. Mr. Speaker, let there be no mistake about the results of a permissive policy of high wage increases, high spending and large borrowing as advocated by the Socialists opposite. True, we would have created some added employment, but at a cost to both provincial and local taxpayers of millions of extra dollars, to pay the inflated costs and high interest rates. To this must be added the operating costs inherent in many of the facilities such as schools and hospitals. For example, the annual cost of running a hospital is about one-third the cost of building it. The construction and operation cost relationship of our schools is similar. Had we not acted as we did, taxes would have been far higher than they are today

and the extra burden would be with us for many years to come.

Balancing the need for new facilities such as schools and hospitals against the ability of the taxpayer to meet added costs is always difficult. During inflationary times, such as we are now experiencing, it becomes doubly difficult. To further complicate the problem, we have a temporary provincial recession which calls for make-work projects and the injection of private and social capital into our economy. I would like to review briefly how we have fought and are fighting these twin monsters, inflation and recession, and as well look at the help we have had from our friends opposite.

From the first day we were elected in 1964, we recognized the pressures which unchecked government spending places on costs and prices. We watched while successive Federal Governments ran up billions in deficits during times of almost full employment and high economic activity across the nation. Premier Thatcher, at that time Provincial Treasurer, warned the federal Government of the perils of its irresponsible fiscal policy and called on them to cut expenditures immediately and in a major way. He set an example by cutting back Provincial spending and bringing under control open-ended spending programs in health, welfare and education. In our first five years in office we brought down five successive balanced Budgets. We consistently kept the increase in our rate of spending among the lowest of any government in Canada. While we could say with pride that we did not contribute to national inflation, our size prevented us from having a serious effect on this problem which is not just national but international as well. Nevertheless, it is fortunate that we took the responsible action we did because it has put us in a position to fight the slowdown we are now facing.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — This slowdown in our economy, like inflation, is not of our own making but has been brought about by both national and international forces. A major reason for our present economic plight is the weakness in the construction industry, brought about to a great extent by tight money and high interest rates. The monetary policy in this country is the responsibility of the Federal Government.

Mr. Speaker, by far our most serious problem is lack of wheat sales. The selling of wheat is the responsibility of the Federal Government and its agency, the Canadian Wheat Board. Most of our wheat is sold on the international markets over which the Province of Saskatchewan has no control. In fact, a look at almost all the products on which Saskatchewan's prosperity hinges shows our dependence on world markets. Potash, uranium, oil, copper, as well as grain and cattle, are the mainstays of our economy and many of them are experiencing temporary problems over which we have little or no control.

I say temporary problems because that is what we are experiencing. Let no one doubt the great future that lies before this province of ours. However, Mr. Speaker, we do have difficulties and there are many things that a Provincial Government can and should do to help solve them. This Government will do what is possible and, because we have kept our house in order, we are in a position to take positive action and to take it now. Had we listened to the Socialists, both here and in Ottawa, our present

situation would be infinitely worse and we would not have the financial tools necessary to fight the recession we now find ourselves in.

A good part of the cause for inflation has been excessive government spending, by all governments, local, provincial and federal, with Ottawa being the greatest offender. Whenever we have tried to hold the line here in the Province, our Opposition has criticized us year in and year out for not spending more of the taxpayer's money. While down in Ottawa successive Conservative and Liberal Governments were setting one record after another for free spending and huge deficits, the national NDP were crying for more give-away programs and even higher spending. Every time we tried to hold wages down to reasonable levels, the NDP mounted attack after attack trying to break our wage restraints and heap more fuel on the fires of inflation.

Mr. Speaker, let us remember who really gets hurt by growing inflation — the farmers, the old-age pensioners and the men and women in the lower wage brackets. Mr. Speaker, we did not listen to the NDP when they urged irresponsible actions and we will not listen to them now, as they continue to propose impractical solutions to problems they do not even understand.

Some Hon. Members: — Hear, hear!

Mr. Stuart: — Because we held down our spending when the economy was buoyant, because we balanced our Budgets and set aside surpluses, because we protected our credit, we are now in a position to prime the economic pump and bring help to every part of Saskatchewan.

The Premier gave you part of our plan when he announced a capital spending program of \$20 million over and above our normal capital expenditures. Today, I will give details of these projects and as well outline major spending proposals that will bring help to our farmers, workers, local taxpayers, cities, towns, municipalities and school boards. Our first five Budgets were tailored to fight inflation because that was our major problem. This Budget is designed to fight our economic slowdown because that is now our single, most serious problem. Mr. Speaker, I can assure this House that, if the extra millions we will spend in the next year do not do the job, we will increase our commitments until we have our economy back in high gear once again. Before outlining our spending and revenue plans for the coming year I would first review our economic and fiscal position and capital financing to the end of the 1969-70 fiscal year.

Although most indicators by which we measure our economic well-being were down in 1969, some important sectors showed gains. It is also worth noting that, even though the general level of our economy in 1969 fell below 1968, it was still much higher than the average of the last five years. Now as a result of declining sales farm cash income dropped to \$725 million, a 20 per cent decrease from 1968. Increased cash advances have helped to offset the drastic drop in farm sales to a limited extent but the effect on our farm economy has been severe. The value of mineral and oil production in 1969 was down slightly but still accounted for a total of \$355 million. The production of potash was up about 566,000 tons, an increase of almost 20 per cent; however, lower prices reduced the value of production to just slightly higher than in 1968. In manufacturing the

value of factory shipments reached \$505 million, up over four per cent, and a new Saskatchewan record. Significantly, labor income was up in 1969 over 1968 by almost six per cent to a new high of \$1.2 billion. Thus the overall complexion of our economy as we enter the 1970s was mixed but not entirely pessimistic. However, the backbone of our prosperity is still agriculture and this sector had a bad year in 1969. As a result most other areas suffered as well.

Mr. Speaker, I will now turn my attention to our fiscal position in the current year. The depressed state of the agricultural sector spread to the other parts of the economy and had a dampening effect on growth in Government revenues, particularly the consumption taxes. Sales tax receipts will fall some \$5 million below original estimates. Gasoline tax is likely to return about \$1.8 million less than the \$48.9 million we predicted last year at this time. As a result of lower petroleum production and depressed potash prices, mineral revenues are likely to fall short of our original estimate by about \$2.5 million. Federal-Provincial revenue sources will exceed the original estimate by \$6 million. These changes will result in total revenue for 1969-70 of a little over \$362 million.

Mr. Speaker, the current year's Budget set down a program of activity calling for expenditures of almost \$365 million. At mid-year, we cut nearly \$10 million off this program in an attempt to redirect our expenditures into those areas which would have the greatest impact on our economic situation. For example, we introduced a program of refunding the sales tax on grain-storage building supplies, which cost the Treasury \$600,000. Additional land was purchased in the South Saskatchewan River Irrigation Project area to the value of \$450,000. We accelerated grants for agricultural programs that injected another quarter of a million dollars into the farm economy. We began a winter works program through the Department of Natural Resources at an immediate cost of \$50,000. We began work on the winter road to the Wollaston Lake mineral fields at a cost of \$200,000. Now overexpenditures occurred as a result of other items such as fire suppression — \$647,000; flood assistance — \$231,000; and welfare payments — \$800,000. So in total, we now estimate that expenditures will amount to \$362 million, resulting in a balanced Budget for the current fiscal year.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, this brings us to our capital financing program for 1969-70. Interest rates rose steadily throughout 1969 to produce one of the most substantial year-to-year gains in history. In this fiscal year 1969-70 we have not gone to the market for any financing. However, during the calendar year 1969 the Province borrowed \$71.43 million, an increase of \$1.48 million over the previous year. The Government continued its policy of assisting local governments in selling their debentures by purchasing slightly over \$2 million of the debentures issued.

The Municipal Financing Corporation, established under authority of legislation passed during the last session, has commenced operations and is now receiving applications from local government authorities wishing to sell their debentures to it. Mr. Speaker, I turn now for a brief review of the Province's Crown corporations.

I am pleased to report that the Crown corporations again experienced generally satisfactory progress in 1969. During 1969, the Saskatchewan Power Corporation earned total revenue of \$104 million, compared to \$95.5 in the previous year. Net income increased to a total of \$16.2 million. Mr. Speaker, I am pleased to announce that the improved results of the Power Corporation will permit it to pay a dividend of \$8.1 million out of 1969 earnings. This increased contribution to the general revenues of the Province will assist in financing much needed programs for the benefit of all our people. Since I am sure our Socialist friends opposite will call this \$8 million dividend a tax on power users, I will point out that one, the Saskatchewan Power Corporation makes most of its profit from industrial and commercial users; and two, this form of dividend payments spreads the benefits among all of the people; and three, we have not raised power rates since assuming office. These profits are from new business and increased efficiency. Now, Mr. Speaker, I don't expect the Opposition to change their views, and I am never sure whether they don't really understand or they are just too stubborn to admit what a fine job we are doing with the Saskatchewan Power Corporation.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — In 1969 the operating revenues of the Saskatchewan Telecommunications increased 8.85 per cent to \$47 million, while net income reached \$10.8 million compared to the previous record of \$8.6 million earned in 1968. This corporation will pay a dividend of \$5.4 million into the general revenues of the Province out of its 1969 earnings. The expansion and improvement of the Telephone System, the efficiency and capacity and mechanization are going forward while service is being extended to new customers. During 1969, the Saskatchewan Economic Development Corporation experienced a record year in terms of the value of loans authorized to assist new and expanding development in the province. New loans amounting to more than \$13 million were approved.

Honourable Members will recall that the Government operates a number of Crown corporations through the Government Finance Office. These are The Saskatchewan Timber Board; The Saskatchewan Transportation Company; Fur Marketing Service; Saskatchewan Minerals Corporation; The Saskatchewan Government Insurance Office. In 1969, these corporations had a combined operating profit of \$3 million. This year the Government Finance Office will pay a dividend of \$1 million into the Treasury.

Mr. Speaker, before moving into our Budget for 1970-71, I think it is timely to briefly review our Federal-Provincial relations. During the past year we continued to cooperate with the Federal and Provincial Governments in exchanging, on a confidential basis, our spending and borrowing plans. This has led to a more orderly marketing of Government debentures and has, as well, proven valuable in developing a more uniform approach to common problems. We raised with some success two basic questions regarding equalization grants; (1) the time lag between a province qualifying for increased grants and actually receiving the money; and (2) the use of farm cash income as one criterion instead of the present method of counting harvested grain as income. Mr. Benson agreed to speed up the process, which formerly took about two years. This will mean an extra \$10 to \$15 million for Saskatchewan in the 1970-71 fiscal year. While

agreeing that the use of cash income made more sense than the present system, the Federal Government wanted all provinces to consider the implications before making the change. I am confident that Saskatchewan's proposal will be accepted.

But perhaps, Mr. Speaker, the most disturbing matter that has risen during the past year in our relations with the Federal Government is its White Paper on Tax Reform. The White Paper presents what the Government claims to be strong arguments for the need for sweeping income tax reform in Canada. The Federal Government states that it is impossible for it to reduce its expenditures because of the growing needs of the Federal, Provincial and Municipal Governments. Therefore, it claims that ways must be found to finance increased programs in a fair manner. Well, first, our Government cannot accept the idea that it is impossible for the Federal Government to further reduce its spending. It is also a fact that the Federal Government's revenue is growing faster than Federal expenditures, even on the present tax base, and it will experience a substantial surplus this year. For millions of Canadians and particularly Westerners, the proposals mean more taxes, and even more important, changes in the tax structure tend to discriminate against the West, especially Saskatchewan. Let me make it clear that the Government of Saskatchewan recognizes the need for reform and welcomes the tax reductions proposed in the White Paper. However, we do oppose the White Paper as a total package and we have made our objections known to the Federal Government. I wish to give fair notice that the Saskatchewan Government intends to oppose the White Paper with everything at our disposal. We must do this because the theme and the philosophy behind much of the White Paper will be harmful, even disastrous, to the future of Western Canada, and Saskatchewan in particular.

Let us look at some of the highlights of the White Paper and examine the arguments put forward by Mr. Benson in its defence. The White Paper claims that the first concern of a taxation system should be equity. Well, I say, wrong. The first concern of any government's tax policy should be the development of the nation's resources, natural and human, so that we can provide a higher standard of living for all of our people, at the same time being as fair and equitable as possible. The White Paper implies that all money or wealth earned or acquired is the same and should be taxed the same. Again, I say, wrong. A small businessman earning \$25,000 in his business is not the same as an executive or a civil servant earning \$25,000 in salary, and should not necessarily be taxed the same. The small businessman ends up with some of his profits in cash, some on his books, and some in enlarged inventory, but the Federal Government will demand its share in cash. This will do more to hurt small businesses than any of the other problems they have to face and solve just to survive.

Mr. Speaker, it is also assumed in the White Paper that the mining and oil dollar will still come to Canada even if we reduce our competitive position with other nations. This is an 'ivory tower' philosophy and by the time that it is proven wrong untold damage could be done to our mining and oil industry and the jobs and revenues that these industries produce.

What about the Provincial and municipal bond market? By giving preferential treatment to private stocks this vital source of social capital could well be dried up. This is not a theory; it is a fact. A change in the White Paper in this

regard is mandatory or Provincial and municipal governments will be hamstrung for development money. The Western farmer, already up against the wall, will be further hurt by proposals in the White Paper. For example, capital gains tax will take away the small tax advantage he now enjoys on his machinery depreciation. If he sells his farm he will be in for the shock of his life when the tax collector is finished with him.

So here is that pattern. Almost everything Saskatchewan depends upon will be hit, and hit hard, by the total effect of the White Paper. Our provincial economy is built to a large extent on the farmer, the small businessman, the oil and mining industry. And we are not in the same position as the East, Ontario and Quebec. They, by comparison, have it made. We are still in the process of growing and we need every encouragement that we can get.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — For the West this White Paper in total is not tax reform. It is one more piece of outright discrimination. It appears to have been written by a high-salaried Easterner with little or no concept, regard or concern, for our problems, and we must fight its inception with all our power. And I urge and invite Members of the Opposition to join with us in this fight for Western equity.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, I turn now to our plans for 1970-71. In this period of adjustment our forecast for the forthcoming fiscal year is based upon prospects of a moderate increase in the sale of farm products and some improvement in the non-agricultural sector.

On this basis, and given our present tax base and rates, we expect revenues in the 1970-71 fiscal year to reach \$389.4 million. We expect our education and health tax to level out and then increase in 1970-71 to yield \$64.3 million. Gasoline taxes are expected to increase to \$49 million. Liquor profits should reach \$25.7 million. Tobacco taxes will bring in another \$6 million. In total we expect consumption taxes to recover from the downward trend of the current year and yield \$145 million in 1970-71.

Receipts from personal and corporate income taxes, excluding the transfer pursuant to the Post-Secondary Education Agreement, will reach \$79.3 million in the forthcoming year. Individual income tax will yield \$59.3 million with \$20 million being paid by corporations. Equalization payments this year will show a marked increase to \$24.1 million.

Mineral resource revenues are expected to show some increase over the anticipated actual receipts for the current fiscal year. Petroleum and natural gas revenues will exceed \$30 million. Potash will bring in \$3 million and other mineral resource revenues are expected to contribute \$4.5 million. Other revenues are expected to draw \$59.2 million into the Consolidated Fund, an increase of almost \$8 million over the current year.

Mr. Speaker, before I outline the highlights of the Government's expenditure program, I would like to dwell for a few moments on the over-all thrust of this Budget.

This Budget was developed with three positive objectives in mind. First, more help for farmers, for the working man and for the small businessman. We can and will give our farmers tax relief and help them to diversify. This Budget will also spark our economy to provide employment and opportunities for contractors, suppliers and other businesses throughout the Province.

Second, expansion of our health, welfare and rehabilitation programs.

Third, more financial assistance to local governments and their taxpayers. The position of our local governments grows more serious every year. We will help them with extra school grants and increased financial assistance. We will also give local taxpayers direct and indirect financial help.

Mr. Speaker, to achieve these ends we will ask the House to approve record expenditures of over \$400 million for the coming year.

I will first deal with our plans to help farmers, workers and business. I will deal first with our basic industry, agriculture.

Agriculture still remains the prime factor in Saskatchewan's economy. While the productivity in our land increases and we produce bumper crops the income of Saskatchewan farmers continues to fall. The farm situation is being reflected throughout the provincial economy in cities and towns as well as in the rural areas. Unfortunately the world wheat market situation is something that the farmers and the Provincial Government can do relatively little about.

However, our Government is prepared to do anything we can to ease the burden on the farmer and stimulate the agricultural industry. Accordingly we propose a substantial increase in the budget of the Department of Agriculture to allow it to spearhead numerous farm programs.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Total spending in agriculture will be \$15.5 million, an increase of 12 per cent over last year's allotment of \$13.8 million. This year, to encourage and accelerate movement into the livestock industry, we began a program of guaranteed livestock loans. Over \$10 million has been borrowed under this program since its inception five months ago. We loaned a further \$3.5 million to the Saskatchewan Wheat Pool this summer to assist it in financing livestock programs for their members.

As well SEDCO has advanced \$5 million to provide funds to farmers to enable them to diversify. Other grants we have expanded are: grants for regrassing of submarginal lands have been increased by \$193,000; grants to farmers for the construction of swine facilities costing \$60,000; the establishment of additional sheep pastures at a cost of \$85,000; and an increase in grants to veterinary boards of \$55,000.

Mr. Speaker, this year \$2.3 million will be spent to complete the irrigation facilities for the east side of the South Saskatchewan River Project. In addition we propose to start construction work necessary to irrigate a block on the west side of the Conquest-Ardath area at a cost of \$500,000 in 1970-71.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, in their present situation farmers are desperately searching for alternatives to their present crops. We hear reports that they could market quantities of soft, white wheat if adapted varieties were available. In addition there may be potential in new crops not presently grown in this province. Accordingly we have set aside \$200,000 to provide 50 per cent of the cost of a Crop Breeding Institute at the University of Saskatchewan on condition that the Federal Government will share equally in these costs.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — We are awaiting a decision from the Federal Government as to whether or not it will participate and permit this project to go ahead.

While diversification will benefit the farm sector in the long run it does not provide immediate relief. In this Budget we also propose to ease the farmer's tax burden and lower his production costs.

Mr. Speaker, I wish to announce that effective midnight tonight the two-cent tax on purple fuel will be abolished at a saving to the farmer of \$3.8 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — No, just recognition of the farmer's problems. I'll get to your recognition later.

I submit to the House, Mr. Speaker, that the agricultural program which we propose in this Budget will not only give financial assistance and encourage diversification but will stimulate non-agricultural employment as well.

Mr. Speaker, never has it been more evident than this year that diversification of the Saskatchewan economy is essential. The expansion of the industrial base would lessen the blow to the economy, should we be faced with a future decline in the agricultural sector, as well as provide steady employment. The Government has announced a new program of industrial incentives to encourage industries to locate in smaller Saskatchewan centres. This program is designed to complement the Federal Government's Designated Areas Program. A total of \$1 million has been set aside for grants payable under this new legislation. Funds have also been allocated for two special projects to be carried out by the Department of Industry and Commerce during the 1971 calendar year — Homecoming '71 and Index '71.

Mr. Speaker, I turn to public works. The Premier has already announced to this House a number of special capital

projects that will be accelerated as part of our efforts to spark the economy and stimulate employment. I would like now to briefly list several further projects that will give added impetus and put much needed cash into the hands of our people.

As part of the on-going program of the Department of Public Works this Government intends to construct and renovate schools in eight northern communities at a cost of \$1 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — We will proceed with the completion of a Department of Highways repair depot at Saskatoon at a cost of \$500,000, renovate the nurses' residence at Saskatoon City Hospital at a cost of \$250,000, build new facilities for Kilburn Hall in Saskatoon costing \$211,000, renovate the Public Office Building and undertake phase one of the renovations to the Correctional Centre for Men in Prince Albert at a total of \$415,000 to be spent on these two projects in '70-71.

Mr. Speaker, one of the most critical problems all across Canada is the shortage of adequate housing. A few weeks ago the Minister of Municipal Affairs (Mr. Estey) met with the officials of Central Mortgage and Housing Corporation to allocate \$4.5 million to the financing of subsidized housing in our province. This could generate a total of \$6 million in low-rental housing throughout Saskatchewan, much of which could start at the beginning of the building season. The government recognizes that the upgrading of housing must receive a top priority and through the provision of funds in this Budget we will increase the number of low-rental housing units by 35 per cent, over more than one-third.

In addition to the long-term benefits of adequate housing for our people this program will act as a much needed stimulant to the house construction industry.

During the coming year the Government will also provide grants of \$500 towards the construction of homes during the winter months. We are hopeful this program will be an incentive to winter construction and employment. An amount of \$500,000 has been set aside for this program. In total, over \$3 million is provided in the budget of the Department of Municipal Affairs for housing. We look to our total housing policy to play a large role in providing employment in the months ahead.

Mr. Speaker, another major employer of people and a direct help to the construction industry is our highway program. Highway construction will be increased from the present level by \$1.6 million net for the coming year. In the 1970-71 a total of \$44.5 million gross will be spent on capital construction and \$19.3 million on maintenance and administration. These projects will provide direct employment totalling 286,000 man-days of work plus many additional days of work in related industries.

This year, two new bridges will be built over the Saskatchewan River, one at Leader on the South Saskatchewan and one at Nipawin on the North Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — The amount of \$1 million

will be spent on the bridge at Leader and \$500,000 as a beginning will be spent on the bridge at Nipawin in 1970-71. Combined with other bridges now in progress it will mean a total of \$3.2 million in bridge construction during the months ahead.

Mr. Speaker, in 1964 there were only 37 miles of four-lane highway in this Province, 37 miles.

Some Hon. Members: — Shame, shame!

Hon. Mr. Steuart: — By the end of the next construction season it is expected that there will be 175 miles of four-lane divided highway in operation . . .

Some Hon. Members: — Hear, hear!

Mr. Steuart: — . . . an increase of almost 500 per cent.

Mr. Speaker, one of the most optimistic areas in the economy is our mineral resources. The problems facing the potash industry have overshadowed, to some extent, the exciting exploration activity in our north land. Mineral exploration programs in the North are continuing at the high level that was experienced in 1969. Companies that were initially involved in the Wollaston Lake discoveries have proceeded with further investigations of their properties and are spending millions of dollars in the process.

In regard to potash, excessive capacity in the potash industry has resulted in the decline in the market price below an economic level in many cases. The Government has taken steps to stabilize the situation and we are confident that the industry will recover in a short time.

I look now at Natural Resources. I have included this Department in the employment and economic section because their programs not only create employment but also play a major role in our important tourist industry.

The system of provincial parks and recreation areas are a source of pride to all Saskatchewan residents and receive heavy use. In the year ahead it is proposed that capital expenditures will exceed those of 1969-70 by more than 30 per cent. Included in this program are a major development at Lake Diefenbaker and improvements to the Blackstrap Lake Recreation Area in preparation for the 1971 Winter Games.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — We have also budgeted, Mr. Speaker, funds for the construction of two new regional parks at Shaunavon-Eastend and at Wilkie.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Approximately \$450,000 will be spent on this program. Mr. Speaker, in the coming year the Government will institute a winter works program in addition to the one we started this year in our provincial parks. This program will involve

extensive park improvement projects at the following parks: Cypress Hills, Duck Mountain, Meadow Lake, Moose Mountain, Battleford, and Lake Diefenbaker. Total expenditures by the Department of Natural Resources will be \$10.3 million in 1970-71, an increase of 13 per cent.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, I turn now to our programs connected with health, welfare and rehabilitation.

In regard to health, a record of \$159.8 million is included in the Budget for the Department of Public Health to carry out its programs in the coming year. These funds will allow us to continue to provide health care second to none. Of this amount \$83.4 million will be spent by the Saskatchewan Hospital Services Plan, up 8.3 per cent over 1969-70. This year we are asking some hospital boards to consider a new method of financing. Instead of the present system whereby the Saskatchewan Hospital Services Plan approves each separate spending activity in the hospital's budget, they will be given the opportunity to adopt a global budget system. Under this arrangement, hospitals will be given a lump sum to be spent during the year, with the hospitals deciding how much will be spent on each program and area of their operation. We are hopeful that this new incentive will encourage hospitals to run a more efficient operation as they will be allowed to retain any savings that they make. It should also answer a long-standing complaint by hospital boards that they are mere rubber stamps for the Department of Public Health.

The gross budget for the Saskatchewan Medical Care Insurance Commission in 1970-71 will be \$34 million compared to \$32.5 million in 1969-70, an increase of 4.6 per cent. Included in the budget is \$1 million for an increase in the fee schedule, a necessity if we hope to maintain an adequate number of doctors in Saskatchewan.

Mr. Speaker, the cost of hospitalization and medicare will exceed \$117 million in 1970. In 1963, the first full year of medicare, the cost of these two health plans was \$67 million. In only seven years these costs have increased by \$50 million. Yet the hospitalization and medicare premiums remain the same as they were in 1963 — \$36 for single persons, \$72 for a family — among the lowest in Canada.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Well, I'm glad you asked that. Over in Manitoba under the NDP the charges are \$100 a family for the same thing we give for \$72.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — While Ontario citizens pay \$307 for a family of three. Nevertheless, Mr. Speaker, something must be done to bring health costs under control and more in line with the financial capabilities of our people.

Mr. Speaker, our dental health services will also be expanded. We will step up dental services to children in northern communities such as Buffalo Narrows and La Loche. In conjunction with the Federal Government we will begin a pilot dental project to determine the feasibility of using dental auxiliaries to provide dental service for school children. The cost of this program will be \$400,000 over the next four years and could be a breakthrough in our chronic shortage of dental services.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — As part of our Government's continuing program of upgrading our cancer treatment, we have authorized the purchase of a cobalt unit for the Allan Blair Memorial Clinic in Regina at a cost of \$62,000; second, a betatron for the Saskatoon Cancer Clinic at a cost of \$530,000 — \$150,000 will be spent this year — and as a further help to our farmers, we will barter grain for this piece of vital equipment.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, we recognize the need for improved care and treatment facilities for children with emotional problems. Thus we have included \$60,000 in the Estimates this year for special grants for this purpose.

We turn now to hospital construction. Our efforts to expand the hospital construction program have suffered a setback by the decision of the Federal Government to withdraw its financial support from hospital construction programs. In the past, Federal and Provincial payments accounted for approximately 52 per cent of the cost of hospital construction, the Province putting up 30 per cent and the Federal Government 22 per cent. In order that the full burden of the Federal withdrawal will not fall on local authorities we have approved a new hospital grant formula. The Province will now pay 60 per cent of the approved cost of construction for base hospitals, 50 per cent for regional hospitals, and 40 per cent for community hospitals.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — During the coming year construction grants will be made available to a number of Saskatchewan hospitals. These will include hospitals at Maidstone, Preeceville, Broadview, Langenburg, Rosthern, St. Walburg, Nipawin, Melfort, Moose Jaw Union and Yorkton.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — In Regina money will be available to the Grey Nuns' Hospital for a major renovation.

Mr. Speaker, a total of \$2.8 million will be spent on the initial phase of the South Saskatchewan Hospital Centre in Regina between now and April of 1971.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Another \$6 million will be spent in '71-72 and \$7.2 million in 1972-73.

In regard to the Alcoholism Commission, last year I announced that the budget for the Alcoholism Commission in 1969-70 would be 82 per cent higher than for 1968-69. This year we have increased our grant to the Commission by 20 per cent, bringing it to \$523,000.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Part of this increase will go toward the cost of operating a Regina residence facility acquired by the Commission last fall. Funds are also provided for obtaining inpatient space in the former St. Paul's Hospital nurses' residence in Saskatoon. I am hopeful that, by obtaining help from private individuals and industry, added funds will also be made available to fight this growing social disease. The Commission will also investigate the problems of the non-medical use of drugs during the coming year.

Mr. Speaker, I turn now to welfare and rehabilitation. Our aim in welfare has always been to help people to help themselves. We have always taken the stand that able-bodied people must work if it is available rather than seek welfare. At the same time our Government has recognized the responsibility to help those in real need to the full extent of our ability. You know, Mr. Speaker, the Socialists talked like humanitarians in office about welfare and the needy but they spent like Scrooges.

An Hon. Member: — All true, Woodrow!

Mr. Steuart: — Our concern has gone beyond the mere giving of social aid in the field of rehabilitation. Our record of helping the underprivileged, the undereducated, the Indian and Métis in our society is unsurpassed in Canada.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Once again in this Budget we will spend record amounts to help the less fortunate. We have budgeted \$27.8 million for the Saskatchewan Assistance Plan, an increase of almost \$4 million. This will include \$1 million for increases in food and clothing allowances, the third major increase in these rates since we took office.

The rehabilitation program for welfare recipients and their families will also be expanded. It is the intention of this Government to establish a third work activity project to be located in Yorkton. The Government will this year initiate a program to aid in the establishment and operation of day-care centres for children at a cost of \$56,000.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — This will enable many women to be gainfully employed as an alternative to remaining on the welfare rolls.

You know, Mr. Speaker, since 1964 the Liberal Government has carried out a progressive program of development in the field of special-care homes for senior citizens. When we came into office there were 2,500 beds for senior citizens in special-care homes. Today there are 5,200 beds, more than double the number in '64.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — In addition we have self-contained housing for a further 3,000 senior citizens. Still in a few areas in our province the number of beds does not meet the need. The Budget, therefore, provides the necessary funds for grants totalling \$454,000 for new construction. Other grants for new projects will be made through the Department of Welfare and these include: a \$50,000 grant to the Prince Albert Sheltered Workshop to cost a total of \$120,000; a \$100,000 grant toward an extension to Pioneer Village for an additional 300 beds — the total cost of this will be \$2.5 million — we will give them an added \$400,000 in the following year; a \$27,000 grant towards the construction of a \$350,000 nursing home in Porcupine Plain.

Mr. Speaker, I mentioned earlier that one of the objectives of this Budget was to help our disadvantaged people. The highlight of this program has to be the Indian and Métis Department. Last year our Government raised the status of the Indian-Métis Branch to that of a full-fledged department, and they have made good progress since that time. For example, educational upgrading of native people is undertaken by the Indian and Métis Department and the Department of Education. Approximately \$1 million will be spent on this very important program.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Almost 2,000 native people will participate in these upgrading programs. Through the Department of Municipal Affairs the Government is providing assistance to urban-dwelling Indians and Métis in acquiring adequate housing. This will cost \$1.3 million in the coming year.

Another \$1 million is included in the Budget for on-the-job training and placement in government departments. Our aim is to have 7 per cent of the people who work directly and indirectly for this Government of Indian and Métis ancestry.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — The Government will also be encouraging native people to become involved in business enterprises. The new scrap metal plant to be established adjacent to IPSCO in Regina is a start in this direction. A sum of \$88,000 is included in the Budget for assistance to business programs. As well, this year grants of \$2,000 and guaranteed loans of up to \$5,000 will be introduced to aid individuals who qualify. Mr. Speaker, Saskatchewan has launched the most comprehensive program for native people ever undertaken by any provincial government in Canada.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — For over 100 years we have

discriminated against our Indians, and it will not hurt us to discriminate for them for as long as it takes them to catch up.

Mr. Speaker, in our drive to obtain employment we have not forgotten our young people. Three years ago, the Saskatchewan Youth Agency conceived a new job placement service program for students, called "Teenpower". In addition to the centres operating in Regina, Saskatoon, Moose Jaw and North Battleford, this year three new offices will be established in Prince Albert, Yorkton and Estevan. As well youth and recreation grants will be increased to a record \$272,000.

Now, Mr. Speaker, I turn to one of the most important sections in our Budget, assistance to local governments and their taxpayers. Hon. Members will recall that in June 1969 the Premier called a conference between local governments and the Province. We asked for their priorities and promised to do what we could to assist them. I am pleased to announce the steps we will take in the coming year to assist local governments in carrying out their vital functions.

The total increases contained in this Budget to assist local governments and their taxpayers amount to over \$20 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Now this sum includes increased grants to rural municipalities, \$1.2 million; new and increased grants to towns and cities, \$.6 million; homeowner grants, \$2.2 million, for a total of \$20.1 million. To finance some of these increases, and in an effort to shift the burden from local taxpayers, we are instituting certain tax changes. One of these is to comply with a request from the Saskatchewan Association of Rural Municipalities, at the last conference, that we start shifting the burden of school taxes from property to income tax. Thus I announced in January an increase of 1 per cent in our share of income tax. This will produce added revenue of \$2 million, all of which and much more will be allocated to school boards.

Effective midnight tonight, the tax on industrial and commercial purple gasoline will be increased from two cents to four cents per gallon, and the tax on clear gas will be increased by two cents and on diesel fuels by one cent per gallon. This increase will give us added revenue of \$6 million. As well, beginning April 1st, the exemption of \$2 on meals for the purpose of our education and health tax, will be dropped to 14 cents. Such things as coffee, soft drinks and ice cream will be exempt when not consumed as part of a meal. These changes will make the enforcement of the tax more practical and will also give us an added \$600,000. These changes in total revenue from tax shifts will amount to \$9.1 million, all of which plus \$11 million extra will go to ease the tax burden on local ratepayers.

Mr. Speaker, the greatest single cost to the local ratepayers is education. Our Government has always given it top priority, but never more than in this Budget. The total cost of education to Saskatchewan taxpayers will be over \$250 million in the coming year. This represents an increase of \$15 million over last year. Of this amount, the Provincial Government will supply \$138 million or 34 per cent of our Budget, the largest single component in our Budget.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — In the three years that I have been Provincial Treasurer, spending on education has climbed from \$200 million to \$250 million, an increase of over \$50 million. Because of this alarming increase and our realization that local taxpayers have borne an ever-increasing share of these costs, we have taken strong and positive action to slow down the abnormal rise in school costs. For example, we have asked the school boards to increase the ratio of pupil-teacher by at least two. We have had all school budgets submitted to the Department of Education for grant approval. The Government is not setting school budgets, but we make no secret of the fact that we will pay our grants only on expenditures considered necessary to maintain the high quality of our educational system.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Surely at a time when our school population is relatively static and our farm economy is in trouble, we have the right to expect that the increase in school costs will be held to an absolute minimum.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Now, Mr. Speaker, we told school boards that if they would take the necessary steps, we would increase our share of their costs. Most school boards throughout the Province are making a sincere effort to control expenditures and this has been reflected in their budgets submitted to the Department. As a result we are prepared to keep our end of the bargain and give to school boards the largest grant in the history of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — This year school board operating expenditures were \$145 million. We estimate that next year's expenditures by boards should not increase by more than \$8 or \$9 million. In this Budget we are now considering, I will ask the House to approve an increase, an increase in school grants of \$11.2 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — This 18 per cent increase is not only the highest grant level ever paid, but it is the largest single increase ever provided and is \$2 million over the estimated increase in school board costs.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — These record grants, coupled with the increased pupil-teacher ratio and the cooperation of the school boards in budget review, mean that with few exceptions the school boards should be able to hold the line for their portion of the mill rate or in most cases lower their portion of the mill rate.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — In addition, let me make it crystal clear that the Province has granted this huge increase with the absolute understanding that most of it will be used to hold down the local mill rate.

There is still one large unknown quantity at this time, and that is teachers' salaries, which make up well over half the school board budgets. However, in view of the crisis faced by our farmers, workers and small businessmen across this province, we expect teacher salary demands to be very modest. School boards should be aware that our grants will be based on reasonable salary increases. We will not contribute toward the cost of excessive wage settlements. If school taxes take another jump this year, it will clearly be the responsibility of the school boards and they will have to answer directly to the ratepayers.

During the coming year the free text book program will be extended to grade 12 students. This will complete our program to provide free text books for grades 1 – 12 at an annual cost of \$1.5 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, when our Government came into office in 1964 there was space in our technical institutes for only 2,700 students. During the 1970-71 school term enrolment at the technical institutes in this province will almost be 8,100 students, an increase of 5,400 since we took office. We have recognized the need for technical and trade training. Therefore, this year a total of \$8.8 million will be made available for technical and trade training, an increase of \$800,000 over 1969-70.

The Government also recognizes a need to provide additional financial support for handicapped children. This year's Budget contains the necessary funds for an addition and renovations to the School for the Deaf in Saskatoon at a cost of \$700,000.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — For the first time, funds are provided to assist in the cost of providing transportation in urban centres for retarded children. In addition, the Government has accepted major responsibility for the operation of pre-school classes for deaf and hard-of-hearing children which are located in several Saskatchewan communities.

Now, Mr. Speaker, I turn to the universities. To keep pace with the increasing demand for space and extended programs, our University will receive a sizeable increase in their grant for the coming year. Mr. Speaker, in 1964, the last Socialist Budget, our University was given \$11.6 million to finance its operations. In fact, Mr. Speaker, that was the Socialists' best year, their best year \$11.6 million. Our poorest year was \$15.4 million, which just goes to prove that a Liberal Government at its worst is still better than an NDP Government at its best.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — This year, Mr. Speaker, the University will receive \$39.5 million, an increase of \$28 million or 343 per cent over 1964. During the coming year, the University plans a building program costing the Government \$10.5 million. On top of this we have given the University an additional \$1 million for capital projects at the two campuses to add to their facilities and provide more jobs. This will put the total for capital spending at \$11.5 million.

I turn now to municipal affairs. This year's Budget contains a record of \$28.6 million for the Department of Municipal Affairs and the Municipal Road Assistance Authority. Last year in answer to requests from municipal officials, a number of new programs to aid rural municipalities were introduced. This year we propose to substantially increase the size of these programs and introduce a number of new ones designed to give further assistance to the municipalities.

We propose to increase the total amount provided for the municipal road program by \$1.5 million to \$14.1 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Last year we introduced a new program of grants for gravelling of streets in towns, villages and hamlets. This program will receive a 25 per cent increase to \$250,000 during the coming year. Municipal equalization grants will total \$2.5 million. Assistance for grid and farm access roads has been increased by almost \$700,000 to \$6.4 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Our program for the construction of grid roads in Indian Reserves will be doubled at a cost of \$500,000. Grants under The Municipal Water Assistance Act will total \$600,000.

Mr. Speaker, I turn to urban assistance. We recognize that the face of Saskatchewan is changing. Today our 11 cities have a combined population of 415,000, more than 40 per cent of the entire population of the Province. Our city governments face problems that are not found in rural areas. We are aware of this fact and therefore are instituting new programs of urban assistance and will expand existing programs. 1. Health grants to the cities of Regina and Saskatoon will be increased by 10 per cent to \$1.10 to reflect increasing costs. Per capita grants under this program will total \$310,000. 2. The city libraries grants will be increased by 50 per cent to 30 cents per capita. 3. Grants to regional libraries will also be increased by 10 per cent. In addition, three new grant programs will be added this year: 1. Assistance to the 11 cities in meeting the cost of snow removal in the amount of \$200,000. These grants will be based on 50 cents per capita.

An Hon. Member: — Get going Henry!

Mr. Steuart: — 2. A new 50 cents per capita grant will go to towns and cities to assist them in meeting the increased cost of police protection.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — These grants will be made to cities, town and villages employing one or more full time policemen either directly or by contract with the RCMP. The total cost of this program will be \$265,000. 3. A new grant to the four largest cities — Regina, Saskatoon, Moose Jaw and Prince Albert — to aid them in meeting the cost of reassessment will be instituted this year. A total of \$75,000 has been set aside for this program. The grants will be paid on the basis of 35 cents per capita residing in each of the four cities.

An Hon. Member: — . . . Vote for this, Henry!

Mr. Steuart: — These new grants will provide an additional \$540,000 in assistance to the urban centres.

I turn now to the homeowner grant. Mr. Speaker, four years ago the Liberal Government introduced the homeowner grant. This program was widely attacked by the Members opposite. Yet, over the past four years the Saskatchewan homeowner grant has eased the property tax burden for thousands of our residents and we have paid out a total of \$34.4 million since its inception. Last year almost \$9 million was paid out in \$50 homeowner grants. This year we propose to increase the homeowner grant from \$50 to \$60. This will . . .

Some Hon. Members: — Hear, hear!

Mr. Steuart: — . . . will bring the total . . .

Hon. R.W. Mr. Thatcher (Premier): — . . . Aren't you happy!

Mr. Steuart: — . . . homeowner grant payment to \$10.9 million annually and be of further help to homeowners and farmers during these difficult times.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — Bill, look more pleased!

Mr. Steuart: — Now, Mr. Speaker, I am sure my friend Bill is pleased . . . I will summarize our Budget proposals. In the forthcoming fiscal year we propose to spend \$405.1 million. Our revenues will be \$394.7 million, leaving us with a deficit of \$10.4 million. We will finance this deficit by borrowing, Mr. Speaker, and we feel that in times such as we are now experiencing this move is justified.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — We have always believed a government should balance its budget in times of economic buoyancy, but be prepared to borrow funds when the economic pump needs priming as it does this year.

To finance this deficit and the needs of our utilities and the Municipal Finance Corporation, I will briefly outline our plans for 1970-71. The budgetary deficit along with our non-budgetary loans and advances will be borrowed as follows:

Saskatchewan Power Corporation, \$31.9 million; Saskatchewan Telecommunications, \$11.8 million; SEDCO, \$7.9 million; budgetary deficit, \$10.4 million; Municipal Finance Corporation, \$10 million; other needs, \$6 million for a total of \$78 million.

The Canada Pension Plan Fund will provide \$44 million and we will look to internal sources and the market during 1970-71 for the remaining \$34 million.

Mr. Speaker, before I sum up our proposals for the coming year, I would just like to take a few minutes to look at the record of the NDP Socialists when they were the Government. You know it is interesting to compare how the Socialists act now, since they are in opposition, to the way they acted when they had the responsibility of the Government.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Let us just take a moment and see how these humanitarians across the way really treated our farmers and working people the last time Saskatchewan suffered a recession back in 1961. I turn first to the 1961 Throne Speech and they admitted they had two serious problems: a drop in farm cash income and serious unemployment. Well, I looked first to agriculture, because I knew Tommy Douglas who was then the Premier, and he spent 17 years of his time and few million dollars of our money, telling us he was the farmer's greatest friend. Mr. Speaker, I read the 1961 Throne Speech and then I re-read it, and I even checked to see if I had the right province, because I couldn't believe my eyes. There wasn't one new farm program. Agriculture was hardly even mentioned. Let me refresh the memories of our Socialist friends about their efforts the last time our farmers were in real difficulty. That 1961 Throne Speech promised to give emphasis to a few pastures in Northern Saskatchewan, to keep on testing some farm machinery and to give a few farmers help to install indoor plumbing. This was their farm program. Big deal! A couple of pastures, a few machines tested and some inside biffies.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Then you know, Mr. Speaker, I spotted another paragraph in that same Throne Speech which stated that more than 40,000 farmers were being invited to participate in a Crop Insurance Plan. Now at last I had found the bold new program by which the Socialists would save the family farm and prove their great concern for agriculture. Just to be on the safe side, I looked up the record to see how many farmers they really saved. You know, Mr. Speaker, it is a good thing the Members are all sitting down, I wouldn't want any of them to faint when they hear the figures. Did the Socialists insure 40,000 farmers? No! 10,000?

Some Hon. Members: — No!

Mr. Steuart: — Unbelievable! Would you believe it, 194 farmers!

Some Hon. Members: — Shame, shame!

An Hon. Member: — The farmer's friend!

Mr. Steuart: — 194 farmers. The truth is, they had no staff, no salesmen, no agencies. In fact, they had no farm program and they still haven't, except to cry to Ottawa and they don't do that very effectively.

At first this unbelievable neglect of our farmers by any Saskatchewan government is puzzling. Then I remembered that Tommy Douglas was getting ready to leave Provincial politics and head up the labor-dominated NDP. I guess he had already forgotten the poor farmer. However, the good people of Regina didn't forget and they helped him out, clear out of Saskatchewan a year later.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — The same year, you now, Mr. Speaker, Woodrow Lloyd was the Treasurer I felt sure he would remember the farmers. I looked up his Budget Speech. Under agriculture, Mr. Lloyd noted timidly that there would be no increase in the agricultural spending. Now a look at his Estimates proved that even this was an overstatement. In fact the Socialists voted to reduce spending in agriculture in 1961 by over \$60,000. Again his proudest boast was to get rid of a few outside privies and bring the blessing of crop insurance to the 40,000 that dwindled to 194. What a performance! That was only the beginning. The future Leader of the Opposition really demonstrated his dynamic concern for people in his help to the workers of Saskatchewan. Mr. Speaker, we have heard every NDP speaker in turn rant, rave and cry about the unemployment we have in Saskatchewan in 1970. In January of this year 1970, unemployment in Saskatchewan was 5.5 per cent. We think this figure is too high, and we have launched a program to do something about it. But to listen to our Socialist friends, you would think they never heard of unemployment. Let's look at the record. In January of 1961 the unemployment figure was 7.1 per cent, 30 per cent higher than the 5.5 per cent we had last month. But what did Mr. Lloyd do about it? Well, look at his Budget. The first thing he did was to cut the number of civil servants and throw more people out of work. Then he cut back on public works spending by \$2.2 million, over 30 per cent, cut another \$1 million from the Department of Natural Resources, another \$3.5 million from the Highways. All programs that are vital to creating employment. You know, Mr. Speaker, I thought maybe he gave the money to the hospital workers, maybe he gave it to the civil service. I looked up the record but I am afraid the great humanitarian failed again. After giving the hospital workers no increase, no increase whatsoever in 1960, the Socialists rewarded them with a little over 3 per cent in 1961. These are the same people that are crying crocodile tears when these hospital workers received 6 per cent this year. You know what they did the same year for the civil servants. They gave them 2.75 per cent, less than half we have now offered the same workers.

So, Mr. Speaker, the Member from Biggar (Mr. Lloyd) having led the farmers and the workers into no man's land — the Socialists made him their Leader — he led the party into oblivion.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Really, really, I shouldn't be picking on the Leader of the Opposition I'll leave that to Henry and some of the other fellows that missed out on the great leap forward. I am sure that all Members will remember that in 1962 the Member for Regina Centre (Mr. Blakeney) was Provincial Treasurer. We also remember that 1961 was a crop disaster for our farmers. Wheat yielded 8.3 bushels, the lowest since 1937; net farm income less than half the 1960 figure. Unemployment, the month prior to the 1962 Budget Speech, was 7 per cent. In the Throne Speech that year they drew attention to the chronic unemployment in Saskatchewan. Mr. Blakeney said that because of the economic conditions and the Government's desire to get the economy moving again, expenditures would be increased and as a result there would be a deficit of \$2.4 million. But he said if the Province had a really good year, the deficit would be a surplus. Well, Mr. Speaker, the deficit did become a surplus, a \$5 million surplus, the largest ever. What was the situation one year later? The 1963 Throne Speech, and I quote, stated this:

This past year has been one of sound economic growth for the Province of Saskatchewan.

And later it read:

It is gratifying to note that the number of unemployed workers in Saskatchewan has declined.

I don't know what the Socialists regard as a really good year. I don't know what the Socialists regard as one of sound economic growth or a decline in employment, but the figures show that from January 1962 to January 1963 unemployment rose from 7 per cent to 7.3 per cent, the highest since the depression. Now is that the Socialist's idea of a really good year, 7.3 per cent unemployment? It is not ours. No, it's not lower, it is 30 per cent higher than we have right now. But it wasn't our idea and it wasn't the people of Saskatchewan's idea because at the next opportunity they put the NDP out of office and, Mr. Speaker, that is where they will languish for the next 50 years.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, we are not happy with the unemployment. We are not happy with the economic situation or with the farm situation. I will conclude by briefly summarizing what we intend to do about it.

I stated the objects of this Budget were to help the farmers, the workers, the businessman and the local taxpayer. Let's look at the records. To help farmers, what have we done? We rebated the tax on grain bins which put over \$600,000 in their pockets. We launched barter deals for wheat. We guaranteed cattle loans, 3,000 farmers borrowed over \$10 million; we assisted the Wheat Pool to get into cattle business by advancing it \$3.5 million; we gave farmers cash grants for seeding of submarginal lands, fodder shelters, hog units, community pastures, sewer and water facilities, costing over \$2 million. We expanded the South Saskatchewan Irrigation program in a major way. And finally we are eliminating the tax on farm fuels at a saving of almost \$4 million.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — I guess they are laughing I don't know whether they are laughing at the farmers or who they are laughing at. To help the workers and stimulate business, we have instituted: a \$500 grant toward the construction of new homes; an accelerated low-rental housing program; a start on the Regina Base Hospital; a winter works program in our Provincial parks; a continuation of our massive highway construction program; the construction of three new geriatric centres which will cost \$3 million; the construction of new bridges at Leader and at Nipawin; expanded road building programs on our Indian reserves; an accelerated school construction program of about \$3.5 million; additional funds for our University; a new industrial incentive scheme, added to these projects another \$20 million injected into the economy which will generate a total of \$35 million worth of new construction.

To help local governments and their taxpayers, first for rural people, we increased our grants for grid and farm access roads; increased our grants for snow clearance; increased our grants for gravelling and paving streets and sewer and water facilities. To help urban dwellers, we brought in new or increased grants for: police protection — new; city snow removal — new; reassessment grants — new; increased health grants; increased library grants; and we gave \$11.5 million increase to school boards. On top of all this, Mr. Speaker, we put another \$10.9 million into the local taxpayers' pockets by increasing the homeowner grant.

To help the disadvantaged and others, we will increase welfare rates by well over \$1 million, we will build more special-care homes for the aged, sharply increase our help to the Indian and Métis, expand Teenpower, provide new help for the alcoholics, expand cancer treatment facilities, give new help to emotionally disturbed children, establish day-care centres for children. Mr. Speaker, our province has a great future and this Budget is a vote of confidence in that future.

We have helped and encouraged people in every part of Saskatchewan. We have increased government expenditures by millions of dollars to spark new life in our economy. And, Mr. Speaker, I can tell this House and the people of Saskatchewan that, if the millions we will spend through this Budget do not do the job, we are ready, willing and able to pour in more millions. Nothing within our power will be left undone to get Saskatchewan back on the track of prosperity and economic well-being for all of our people. I invite the Socialists opposite to forget their narrow-minded views, to forget the past and join with us and make the vote on this Budget unanimous.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, I move that you do now leave the Chair.

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, I am sure that we are all grateful to the Provincial Treasurer (Mr. Steuart) for that non-partisan appeal to Saskatchewan patriotism. I first want to comment on those portions of the speech which he didn't have the courage to put in the printed portion of the speech. And if I were he I wouldn't put those figures in any printed document where they can be checked by people who know those figures.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Well, let me make one or two rather obvious points. He tried to compare the Budget Speech of 1961 with the Budget Speech of 1970. It is reasonably obvious that we are in agricultural difficulties in 1970. We have been in them for six months. But who in March of 1961 knew that there was going to be a crop failure in July of 1961? Who knew that? The facts are that, if you wanted to make a fair comparison, you should have taken the speech of 1962 and there you would have found a number of programs for agricultural relief. That would have been a fair comparison.

May I make a few rather obvious points. When we are trying to assess whether or not a Provincial Government is doing a good job in bucking the trend of the Canadian economy, surely the question is not whether or not in absolute terms, unemployment is 5 per cent, or 6 per cent, or 7 per cent. After all no province the size of Saskatchewan can buck the Canadian trend and indeed the whole North American trend. The test is whether or not we are doing better or worse than the rest of Canada and particularly our neighboring provinces.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — And when the Provincial Treasurer was deploring the rate of hospital wages in Canada and particularly in Saskatchewan in 1961, may I remind him that, whereas now our wages are lower than anywhere west of the Ottawa River, at that time we were the third highest in Canada. May I also remind him that in respect to unemployment at those times when admittedly unemployment was around the 7 per cent level in Saskatchewan, it was in each of those years higher in the Prairie Provinces. In each of those years we were lower than the Prairie average. Don't we wish now that we were lower than the Prairie average! Don't we wish now that we had the unemployment conditions that they have in Social Credit Alberta or New Democratic Manitoba! Yes, indeed we do. There would be hundreds of jobs which are not now here. I will be busy quoting some tomorrow, but I suggest that you look at the Dominion Bureau of Statistics' figures for manufacturing employment in either of our neighboring provinces. I suggest that you look at them and see the deplorable picture for Saskatchewan which this shows in comparison. Our efforts are very, very meagre and very unsuccessful compared with those of our two neighbors. And may I make the obvious point that tight money and high interest rates apply there too.

Mr. Speaker, I want to mention one or two things while I am on my feet. I want to join with the Provincial Treasurer (Mr. Steuart) in tendering our congratulations and best wishes to the Lieutenant Governor The Honourable Stephen Worobetz. I want to mention very briefly the retiring Lieutenant Governor, the Hon. R.L. Hanbidge. As I have already expressed on another occasion it seems to me that he brought to that office a particular and peculiar sense of what that office could and should mean in Saskatchewan. And in so doing he won the hearts of this province, not only for himself, but for the office of Lieutenant Governor. We wish for the Hon. Stephen Worobetz a similarly successful term of office.

The Provincial Treasurer mentioned Kelvington and he said that he hoped that the member for Kelvington (Mr. Byers) had a pleasant stay in the Legislature and a short stay in the Legislature. Well, it is always a welcome day when I can agree with him halfway. It will be indeed a pleasant stay in the Legislature. It won't always be on this side of the House. Indeed, as soon as there is an election the Member for Kelvington will be on your side of the House, Sir. I know that he will find that particularly pleasant.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — He isn't that young!

Mr. Blakeney: — He isn't that young, but he doesn't have to be very old. You know there is a very, very worthwhile constitutional provision in The Saskatchewan Act which says that no government, however bankrupt and however destitute of public support can hang on for more than five years. I am corrected by my Hon. Members who remind me that the last Liberal Government that was in office set aside all laws and tried to stay on for six years and recall what happened to them.

The Provincial Treasurer has introduced his remarks by talking about five successive balanced Budgets. I have already had a comment in previous years on that sort of claim and we know that those so-called balanced Budgets in the earlier years were balanced only because every known piggy bank was robbed.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Let me just give one example. In the first year of office of this Government it ran down the medical care insurance reserve fund which stood, when it came into power, at \$10 million and in one or two years it let it run down to zero. Zero! If it had paid its medical care expenses as it went instead of living on the reserve which had been accumulated, we could have this Budget before us today, spending every penny that we propose to spend and still have no deficit.

May I remind the Provincial Treasurer that the deficit now is far more expensive than a deficit three or four years ago would have been.

I want to make a couple of, I suppose, technical comments. First it is pretty clear that this Budget is being financed by a speed-up of Federal-Provincial payments. Now this is either a one-shot effort, it either means that we are getting an extra approximately \$10 million this year which we will not get next year — and I invite the public to consider what implications that has for taxes — or in the alternative it means that our economy in Saskatchewan is operating at far, far below the Canadian average. I think in fact the first is the right explanation and therefore I think that, when we assemble here next year at this time, we will find that there is no longer that \$10 million windfall and the Provincial Treasurer of the day — I take it after the 1970 election — will be asking the public once again to bear the burden of another load of taxes.

Mr. Speaker, the Provincial Treasurer made much of the additional financial help for local governments. Well, may I say

that some of us view those remarks with a shade of scepticism. Some of us, as you might say, have heard that song before. I want to quote very briefly from The Leader Post of Friday, April 3, 1964, when it was said that a Liberal speaker in Tisdale said that the Liberal program called for greatly reduced taxes on farm land and property. And the speaker was none other than the Hon. Member for Prince Albert, D.G. Steuart. That is what the program called for in 1964, but between 1964 and 1968, while that same speaker sat in the Legislature, the per capita rural taxation in this Province went up over \$71 million which was up 50 per cent more in those four years than in the previous four years.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — So much for greatly reduced taxes on farm land and property!

We are now told, Mr. Speaker, that there will be greatly increased school grants. We hope that is true too. We hope that because it put a figure in the Budget that the money will be spent. I don't have the figures for 1970 before me, the year ending at the end of this month, but the figures for 1969 are very instructive and I invite any Hon. Member to pick up the financial statements of this Province and he will find that in the year 1969 the money budgeted for school grants on a gross basis was not in fact spent. In fact \$4.5 million of the money budgeted was not spent. It is the easiest thing in the world to put a big figure in a budget speech, because it sounds so good when the Provincial Treasurer is giving us his little annual message; but when it comes to putting the chips on the table then the Provincial Treasurer has sticky fingers and some of them don't get into the pot.

Mr. Speaker, we are all interested, I am sure, in the construction projects of the Department of Public Works. I am sorry that they are less than last year. I am sure that you wouldn't have detected that in listening to the Provincial Treasurer. It is only if you look at the Estimates which are also before you that you will find that the capital program of the Department of Public Works is not increased but in fact decreased. I think that all of us know who the Minister of Public Works is, he is the Member for Athabasca (Mr. Guy). I think that you also know who the Provincial Treasurer is and he is the Hon. Member from Prince Albert West (Mr. Steuart). I think that I hardly needed to tell you that, all you needed was to look at the construction projects.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The largest single project is in the constituency that the Member of Athabasca represents. The next largest is in the constituency of the Member for Prince Albert West, at least Prince Albert as I am not quite sure where the line goes. I wasn't aware that the Member for Saskatoon City Park University (Mr. Charlebois) and the Member for Nutana Centre (Mr. Estey) were in trouble, but I gather that they are, because the only other projects are in the city of Saskatoon and in fact in the constituency of Meadow Lake and everybody knows that that Member is in trouble.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — It will already have been observed that Saskatchewan does not exist south of Saskatoon for the Minister of Public Works and the Provincial Treasurer.

Hon. Mr. Guy (Minister of Public Works): — You'll be sorry you said that!

Mr. Blakeney: — I'll be sorry I said that! May I comment very, very briefly on the tax changes. I intend to have a good deal more to say about this on Wednesday, but may I point out that the Provincial Treasurer can hardly claim any virtue for removing the tax on farm fuels and hardly any Member over there can claim any virtue. That was a bad tax. Everyone of them voted for it two years ago. It was totally unjustified then, and it is totally unjustified now and we indeed welcome its removal. We would have welcomed it never having gone on.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — As for the sales tax on meals, the thing that impressed most was the argument in favor of it, that it is going to make enforcement easier. Can you picture that? I know that the Member feels that he has already upbraided the restaurant operators for giving out two checks and this sort of thing. We have already heard his objections to them trying to ease the oppressive burden of taxation, but I am glad that the newspapers editorially came to the aid of the eaters and not the snatchers. May I say this: I cannot imagine a tax which will tax every hamburger at MacDonalds and A & W, every plate of chips and gravy which every teeny bopper buys, and every hot dog at every exhibition and sports day, as being a nice easy tax to administer.

However, the Provincial Treasurer puts forward this as Liberal efficiency. I am sure that all of us will welcome the homeowner grant, this welcome relief from property taxes, even if it is only \$10. We are sorry that it brings little or no benefit to many who need it most. This is always represented by the letter which comes out under the signature of The Hon. Ross Thatcher, which used to be signed W. Ross Thatcher, Provincial Treasurer, when he was Provincial Treasurer. And when he stopped being Provincial Treasurer it didn't come out from the Provincial Treasury anymore, but it still came out from W. Ross Thatcher.

Mr. Thatcher: — The same compassion!

Mr. Blakeney: — The same sense of compassion indeed! You may well ask: why does not the milk of human kindness run over in favor of some of the most disadvantaged in our community? The grant is supposed to be, and I say supposed to be, a return of resources. But how about the pioneers, those older people, who now live in senior citizens homes or other rented accommodations? Don't they have any share in our resources? Or how about young people starting up who more perhaps than anyone else need a little boost up? They live in an apartment as they should, because they never know when they are going to have to leave this province to get a job.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — They shouldn't be buying a house. But don't they have any share in these resources? And how about our most disadvantaged people, the poor people, who can't afford to own a home? Or how about the Indian and Métis people? They very rarely own property. Now who, Mr. Speaker, has a greater claim to say that they have some share in the resources of this great province than the native people who owned them all before the white people came? I ask, why, and why indeed should we white people say to the Indian and Métis: the fruits of these resources should go to all of us provided that you own a house in the traditional white man's way.

Mr. Thatcher: — We are building them houses.

Mr. Blakeney: — But are you selling them to them? How many of those people are going to get them? Very, very, few. I have many, many native people in my constituency and practically none of them own a home. These people won't benefit from this milk of human kindness that the Premier talks about.

Mr. Speaker, let me first . . .

Mr. Thatcher: — How are you going . . .

Mr. Blakeney: — The Premier is always so very, very anxious to get publicity for his goodies that he just can't wait to follow the orderly procedures of the Legislature.

Let me, Mr. Speaker, make a few comments on the whole economic framework on which this Budget is set. The Budget talks about inflation and I ask you to read the first few pages of his speech. It asks us to believe the conventional wisdom which has been talked about inflation in this country for the last three, four or five years. I say that this conventional wisdom being peddled by Prime Minister Trudeau and by Premier Thatcher and by John Young is one of the biggest shell games that we have ever seen in this country. It is like one of these carnival barkers who says, "Step right up, come right here. Ladies and gentlemen, I have here, I have here . . . There are only three left and they are going fast, step right up." There is no more sense of rationality to the arguments which are given with respect to inflation than there is in the average spiel of a carnival barker.

The posturing of the Liberal Governments at Ottawa and at Regina, the Trudeau-Thatcher axis on this matter of inflation would provide some sardonic humor if the consequences of the folly were not so tragic.

I want to talk for just a few minutes about inflation. The word inflation has at least two meanings, two very frequently used meanings which are almost unwholly related. One meaning is the old one, too much money chasing too few goods. That is the situation where there are shortages of goods, high incomes, and people using those incomes to bid up the price of goods and so prices rise. People still talk about that kind of inflation. They talk about the economy being overheated, about excess demand and all that sort of jargon. I want to call that type of inflation overheated economy inflation. But inflation has another meaning. It means a condition where prices are rising, for whatever reason. If the cost of living

increases then for many people that is inflation, and I will call that, rising-price inflation.

Now let's work through this problem a little bit. It is possible for an overheated economy type inflation to cause a shortage of goods and this will cause prices to rise. For special reasons that can very easily happen in war time. But it by no means follows that if prices are rising the economy is overheated. That would be like saying that cars with bad brakes cause accidents, this car has had an accident, therefore this car has bad brakes. Now we know that isn't necessarily right. There are many other things that cause accidents, bad roads, bad drivers and all the rest of it. So when there is an accident we ask ourselves what caused the accident. It might be bad brakes, but it might not be. It would be stupid to think that merely by fixing the brakes we have necessarily solved the cause of the accident. Now that doesn't make sense. It doesn't make sense, Mr. Speaker, except to the Liberal Government.

In Canada we have rising prices. We have a rising-prices inflation and there is no doubt about that. But who in Canada really believes that this is due to an overheated Canadian economy. Are there shortages of goods? What goods, wheat? Short of wheat? Short of lumber? Short of potash? Short of oil? Short of cars? Short of farm machinery? Are there shortages of skilled people? Are there fewer teachers than there were before? Not a bit of it! There are more and more teachers, and more nurses. How about carpenters and bricklayers? If you had to go out and hire a carpenter today, do you think that you could find one? So it simply isn't true that the Canadian economy is overheated. In the careful prose of the Economic Council of Canada,

It would be difficult to maintain that current inflation is a reflection of excessive demand-pressure, for the Canadian economy has been operating with at least a moderate overall margin of slack since 1967.

Certainly there is no shortage of goods and, yes, there is certainly no shortage of labor. Again to quote the Economic Council:

In 1967 and 1968 together unemployment rose by more than 100,000. The unemployment rate in 1968 moved to the highest level since 1963.

Mr. Speaker, I know of nobody who disputes the figures of the Economic Council of Canada. The Trudeau Government says that it wants to control inflation, price-rise inflation. Certainly no one quarrels with that. What we do quarrel with is the policy which says that to do this we must cool off the economy. We quarrel with the doctrine which says that to control inflation we must create slack in the economy, that we must create unemployment, that we must slash government spending. I ask where is the logic for that. Who has demonstrated any relationship between slack in the economy, unemployment, government spending and rising prices? Suppose the economy was so slack that it was positively drooping as it is in Saskatchewan. Suppose that the unemployment rate was 10 per cent in Canada as it is in Quebec and the Atlantic provinces. Does anyone believe that prices would come down? Oh, a few will come down. There are still a few prices that are dealt with by the market

economy. The price of wheat will come down, the price of pork maybe, the price of farm land, maybe some older houses, but how about food prices generally? Will they come down? Have they come down as the economy has cooled off? Not a bit of it! How about clothing prices? Coming down? Car prices, farm machinery prices? Oh, there is a really good example, farm machinery prices! Farm machinery sales have dropped 25 per cent or 50 per cent in Canada in the last year but have prices dropped? Not a bit of it; they have actually increased. That gives you some idea of how much slack you'd have to create in order to control price increases. So what's this Trudeau Liberal Government up to? It is creating unemployment, hardship and deprivation. It is costing Canada billions of dollars in loss production. It has stopped making war on poverty and started making war on the poor.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — It has stopped fighting regional disparity and started creating regional disparity. And let's make no mistake about it, Mr. Speaker, that is exactly what is done by any policy of contracting the Canadian economy. The Trudeau Government stopped aiming for a just society and has created instant injustice for tens of thousands.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — And, Mr. Speaker, in this right up to now, it has been aided and abetted by the Thatcher Liberal Government and by the Premier and by the Provincial Treasurer (Mr. Steuart) who are sitting there.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — They have been mouthing the same arid platitudes about the need to create slack in the economy. Mr. Speaker, there are really only two courses open to Canada. We can either suffer our inflation and continue to suffer it, either with or without the added folly of the Trudeau policies, until the United States controls its own inflation, or we can impose selective controls on prices and interests and rents and incomes and if necessary on exchange controls and put this country to work with full production, full employment developing our resources and tackling our problems.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — These, Mr. Speaker, are our choices. No government wants to set up all the paraphernalia of selective price controls. But these controls would be by no means permanent. They would be necessary only so long as the American Government has not brought its economy under control. It is, all of us hope, taking steps to bring its economy under control, either by cutting down its defence expenditure or by raising taxes to reduce demand in the private sector. I would hope that in a very short number of years it would have this matter under control.

If, Mr. Speaker, inflation is the major threat to our economic health as it is represented today, and if as I believe

there are only two choices, either a massive unemployment, falling profits and business failures or selective price controls, then I say that any responsible government will opt for selective price controls. And, Mr. Speaker, if it doesn't then we will know that all this talk about the just society is just hogwash.

Mr. Speaker, any government that was speaking for Saskatchewan, one of the regions which is most adversely affected by Federal Government austerity, would be shouting from the housetops for price controls, full employment and government spending rather than austerity, unemployment and business failures. That's what the Thatcher Government should be doing, but the Thatcher Government has been silent, silent while the Canadian economy has been cooled, silent while the Saskatchewan economy has been frozen solid, silent while unemployment soars, silent while our farm markets are disappearing, and in that silence I accuse the Trudeau-Thatcher axis of betraying the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, we are being crucified on a cross of fiscal orthodoxy, and Trudeau and Thatcher are pounding in the nails.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, it will be obvious that I had not covered all of the Budget. I am sure that the Premier wishes that people would talk about anything but that Budget of his; but I promise him that on next Wednesday I will have a great deal more to say about this Budget and accordingly I ask leave to adjourn the debate.

Some Hon. Members: — Hear, hear!

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

Ordered, that debate on the Motion, "That Mr. Speaker do now leave the Chair," for the Assembly to resolve itself into the Committee of Supply (Budget) be resumed on Wednesday.

Debate adjourned.

The Assembly adjourned at 4:30 o'clock p.m.