

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Seventeenth Legislature
12th Day

March 10, 1972

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

WELCOME TO STUDENTS

Hon. W.E. Smishek (Regina North East): — Mr. Speaker, I should like to introduce to you and to the Members of the Legislature a group of 41 students. They are Grade Eight students from the Glen Elm School located in my constituency and are seated in the West Gallery. I should like to welcome the students and their teacher, Mr. Fraser, to the Legislature. I have reason to believe that today will be a very information and educational day for them. Again, Mr. Speaker, I welcome them to the Legislature.

Hon. Members: — Hear, hear!

Mr. E.L. Tchorzewski (Humboldt): — Mr. Speaker, I should like to bring to the attention of the House a group of students whom you have already met. They are students from your constituency, from the Spalding School, 21 students who are seated in the Speaker's Gallery. They are accompanied by their teachers Mr. Reuten and Mr. Hetland as well as their driver, Mr. Fettes. I am sure that Members of the House will join me in welcoming them here today and wishing them a worthwhile and informative and enjoyable stay in Regina and a safe trip home.

Hon. Members: — Hear, hear!

Mr. E.F. Gardner (Moosomin): — Mr. Speaker, I should like to introduce a group of 50 Grade Six students from the Broadview School. They are in the East Gallery. They are accompanied by Shirley Jessop, Archie Novak, Edwin Pelletier, and their bus driver, Harold Pelletier. We welcome this group of 50 future citizens to the Legislature. We hope they have an educational and an enjoyable day and a safe trip home.

Hon. Members: — Hear, hear!

Mr. D. Boldt (Rosthern): — Mr. Speaker, I should like to introduce a group of 50 students from the town of Aberdeen. They are here accompanied by their teachers Mr. Ginter and Mr. Peters. We had an informative session a few minutes ago. I am sure that you and all Members and all visitors to this gallery will welcome them here. I hope that the Premier will not shock them too much with all the tax increases.

Hon. Members: — Hear, hear!

Mr. P.P. Mostoway (Hanley): — Mr. Speaker, I too shall like to welcome the Grade Eight students of Aberdeen School who are accompanied by their teachers Mr. Peters and Mr. Ginter. I do so because many of

them live in Hanley constituency. And I am sure that this Assembly hopes that their visit will be a satisfying experience and may they have a safe journey home.

Hon. Members: — Hear, hear!

STATEMENT

GRAIN SALES FORGONE BECAUSE OF LACK OF STOCKS IN VANCOUVER TERMINAL

Hon. R. Romanow (Attorney General): — Mr. Speaker, I'd like to beg the indulgence of the House to make a brief statement.

Today's announcement by the Minister in charge of the Canadian Wheat Board, the Hon. Otto Lang, that sales of grain have been forgone because of lack of stocks in the Vancouver terminal is a serious indictment of both the Federal Liberal Government and the railways of this country. The facts of the matter are as follows:

1. Heavy snowfall and severer rain have blocked the CPR and CNR lines to Vancouver during January, February and to date in March.
2. I am informed by my officials that for weeks some 9,000 cars of grain stood idle in terminals and sidings each of the Rockies.
3. Today, March 10, over 6,700 cars of grain are on wheels waiting to be moved to the West Coast.
4. Today nine ships are loading, 16 are at anchor waiting to pick up some 11 million bushels of grain.

This is the reason grain sales are forgone. This situation need not have happened. On February 3 the Government of Saskatchewan urged the Canadian Wheat Board and the appropriate Federal authorities to divert grain cars via the Pacific Great Eastern Railway whose line was not blocked into Vancouver. The PGE can handle 400 extra cars per day from Prince George to Vancouver or 800,000 bushels. A diversion over the PGE of over one-half of the 9,000 cars waiting east of the Rockies for a period of two weeks would have eliminated the crisis of short supply and enabled us to bid on all export sales offered. This Government and the farmers of Saskatchewan insist on receiving assurances from the Minister-in-Charge of the Canadian Wheat Board, the Hon. Otto Lang and the Federal Government that when a similar crisis occurs in the future all access routes to the port of Vancouver should be utilized and that the Federal Government do all that is in its power that is necessary to open the port immediately and get it back on full export production.

Mr. T.M. Weatherald (Cannington): — Mr. Speaker, we have granted that the priority is required to improve the storage facilities as far as the grain producer is concerned. We think that action to build this necessary storage would be appropriate as soon as possible. We also find it very strange, Mr. Speaker, that the Attorney General on his trip to the Coast about two weeks ago failed to find out that the Pacific Great Eastern Railroad requires about an additional 23 miles of track to be able to divert grain. Mr. Speaker, we checked the situation there and we found out despite your great prognostications about how cars should be diverted that the railroad requires an additional

23 miles of track at about \$50 million expenditure to be able to make it feasible and make the situation practical as he suggests. We wish that he would have spent a little more time investigating the situation when he was there and come back with a little more factual information as far as the Pacific Great Eastern Railway is concerned.

Some Hon. Members: — Hear, hear!

QUESTIONS

WHEN WILL GOVERNMENT MEET WITH MR. CHILD OF BURNS COMPANY?

Mr. C.P. MacDonald (Milestone) — Mr. Speaker, before the Orders of the Day, if I might be permitted a comment. I hope those flower children over there have a little more of those bouquets for the taxpayers of Saskatchewan as well as for the NDP Members. Mr. Speaker, I should like to direct a question to the Minister of Industry (Mr. Thorson). Yesterday there was an article in the paper and I should like to quote from a letter from Mr. Art Child, the President of Burns Company of Canada.

As to a new plant, despite all the statements made by your mayor and provincial officials, nobody has arranged to come and see me. We can make some proposals for the building of a new plant but they would be so costly to all three levels of government that I would doubt very much they could be accepted. So far, nobody seems particularly interested in coming to Calgary to find out what might be done.

Mr. Speaker, I called Art Child, the president of Burns this morning. He told me there was a half-hearted effort made by the Ministers four weeks ago after some bad publicity on February 8 and since that time no one in the Government of Saskatchewan has called to make an arrangement to see him at a time and a period when there are more unemployed walking the streets of Saskatchewan than at any time since the depression.

Mr. Speaker: — Order, Order! You can ask a question but we mustn't debate a question.

Mr. MacDonald: — Mr. Speaker, I certainly don't intend to, but I should like to point out to the House that this morning I made arrangements with Art Child to have Mr. Gordon Grant, the former Minister of Industry and Commerce for the Province of Saskatchewan to go down and do the Government's job for them and to discuss what possible alternatives could be made. And I should like to ask the Minister of Industry, will he in the future go and make arrangements to see Mr. Art Child, the president of Burns Company to see what arrangements can be made to protect the jobs of 100 people in Saskatchewan and a growing agricultural industry in the future.

Hon. K. Thorson (Minister of Industry) — Mr. Speaker, the Member from Milestone is quoting from a news article that I have not seen but it contains a statement allegedly made by Mr. Child of Burns Food Limited which he made to me, that is that the alternatives he has in

mind are likely too expensive for any level of government to consider seriously. May I just say that the concern of the Member for Milestone about the unemployed people is shared by the Government. We are exploring alternative methods of solving the problem. We have some reason to believe that we shall be successful in providing alternative employment for the people who will be unemployed when the Burns plant is closed on April 28. We think from our discussions with Mr. Child to date that he has no alternative to offer which is feasible.

Some Hon. Members: — Hear, hear!

INTRODUCTION

SPECIAL GUEST FROM FINLAND

Hon. E. Kramer (The Battlefords): — Mr. Speaker, I have a rather more pleasant task than usual to perform. I should like to introduce a special guest from Helsinki, Finland, Dr. Nels Sasara, seated behind the rail.

Hon. Members: — Hear, hear!

Mr. Kramer: — Dr. Sasara was until recently and since 1962, Director of Forest Division, Forest Industries, Food and Agricultural Organizations of the United Nations. He is not touring Canada studying the world forestry situation and preparing to do a study on the entire forest situation throughout the world and we are looking forward to his report.

QUESTIONS

DISCUSSIONS WITH MR. ART CHILD OF BURNS COMPANY

Mr. J.C. McIsaac: — In view of the recent comments that he has been making about the diversification and the expansion of the livestock industry in the province, I want to ask the Minister if he took advantage of the opportunity on February 18 when he sat at a banquet table with the same Mr. Art Child, the president of Burns, to try and arrange discussions with him at that time to see the continuation of meat packing facilities here in Regina.

Mr. Speaker: — Order, Order! The question asked by the Minister for Milestone (Mr. Macdonald) was answered by the Minister of Industry (Mr. Thorson). We can't permit a debate on it. We can't have a follow-up repetition of the same question. I hope the Member will take it up sometime during the debates of this House. We can't have the same questions.

MOTION FOR COMMITTEE OF FINANCE

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, 1973, and Supplementary Estimates of certain sums required for the service of the Province for the 12 months ending March 31, 1972, and recommends the same to the Legislative Assembly.

Hon. A.E. Blakeney (Premier): — Mr. Speaker, I move seconded by the Hon. R. Romanow:

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

Motion agreed to.

BUDGET DEBATE

Hon. A.E. Blakeney (Premier): — Mr. Speaker, it has been traditional over many years for the Provincial treasurer when delivering his budget to wear a particular form of tie and I have resurrected the form of tie which I used just about ten years ago today when I stood in this House delivering the first budget that it was my pleasure to deliver. It was a tie of the Saskatchewan Tartan and this one turns out, as we now look at it, to be a very narrow tie, a very lean tie, a tie which reminds you of the lean fare which the taxpayer received during those seven lean and dark years. Ties, municipal are now a good deal wider and more expansive and I can assure the House that they are indicative of the wider and more expansive opportunities which will be open to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, it is my privilege to present to you and to the Members of this House the first Budget of this New Democratic Government. Just over eight months ago the New Democratic Party received an overwhelming mandate from the people of Saskatchewan. In terms of popular votes, no party has received such support from the voters in the modern history of Saskatchewan. In terms of seats won, the victory was almost equally impressive. Forty-five of the constituencies of the province returned New Democrats.

Our party offered to the people a clearly outlined program. Just before the election we distributed our four-year election program in summary form, our orange-colored program card. And some months prior to the election we published and distributed several hundred thousand copies of a booklet setting out our program more generally — the program which we pledged ourselves to launch during our first four-year term of office — our now well known Deal for People.

Mr. Speaker, those were our policies when we were out of office and they are our policies now that we are in office.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We promised the people of Saskatchewan a New Deal for People and that's what this Budget is all about. This Budget doesn't cover all of the four-year program, naturally enough. If it did so, it would suggest that after the first year, we were going to become a stand pat Government and this we will not be. Saskatchewan, and indeed Canada, has had enough of governments which are unwilling or unable to grapple with the problems which beset us. Saskatchewan has had enough of governments and parties which oppose all ideas of change —

which offer no new approaches and no new solutions to deal with the problems that confront our citizens.

In its budget a government reveals its sense of priorities. In this Budget we set out our priorities. And we are confident that those priorities will be endorsed by the people of Saskatchewan. In our election platform we reaffirmed our faith that agriculture is the foundation of Saskatchewan life, economically and socially. This Budget underlines that faith. In our election platform we stated our belief that very much larger amounts must be paid by the Provincial Government to property owners who are now bearing the heavy burdens, not only of maintaining and improving their properties, but also of financing the cost of municipal and school systems. This Budget makes a massive move in that direction.

In our election program we promised to upgrade the quality of education, to remove arbitrary pupil-teacher ratios, to set up a comprehensive student bursary program. This Budget makes impressive progress toward achieving all of these goals.

Indeed, Mr. Speaker, point after point of our New Democratic election program of 1971 can, after the Throne Speech in July and after the Throne Speech which opened this Session and after this Budget, be checked off as done.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, we invite, yes, we urge the people of Saskatchewan to compare our record of performance in honouring our election pledges with the record of performance of the Party opposite in respect of fulfilling their election pledges after their election victories of 1964 and 1967.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We'll be satisfied to be judged by the people of Saskatchewan on the basis of the facts that are now on the record. It is with confidence in their verdict that we offer this our first Budget.

Before turning to the specific proposals contained in the Budget, let me outline the national and provincial economic framework in which this Budget is set.

We hear a great deal about the revival of the Canadian economy. The final quarter of 1970, we are told, was the trough of the recent recession. There are indeed indications of some improvements in the Canadian economic situation. However, the present levels of unemployment and the present levels of prices provide little assurance that this rate of improvement in our economy can be sustained.

Federal officials estimate that the Gross national Product in the calendar year, 1971 will increase by about nine per cent. Price increases will account for about one-third of that increase. In constant dollars, real growth was up by just under six per cent.

The initial stimulus for this expansion came from government spending at all levels and from a strong level of exports.

This was accompanied by a rise in personal spending on goods and services. Increase in consumer spending drew heavily upon retail and wholesale inventories which, in turn, prompted greater production.

Employment, however, did not rise at the same rate. Much of the increase in output was achieved through greater production per person employed. This meant only modest increases in the number of people employed.

In fact, new jobs did not keep pace with increases in the labor force. The number of unemployed did not decline. The unemployment rate averaged over six per cent throughout 1971, and prospects for improvement are dim.

Expansion in private investment lagged during 1971 because of unused productive capacity and because of uncertainties in markets.

By fall the need for public programs aimed at creating jobs became abundantly obvious. And I say, as I have said before, it is unfortunate that delays by the Federal Government did not permit an earlier start on massive Federal-Provincial programs.

Without doubt, unemployment is the foremost problem facing Canada in 1972. But inflation is still lurking in the wings. Canada has experienced a brief period of moderation in price increases. This moderation, however, was aided by factors which will not bring lasting relief. For example, when we unpegged the Canadian dollar in May of 1970, we increased its value. That was the result of the unpegging. This in turn reduced the impact of external inflation, in fact goods coming into Canada were lower in price, measured by Canadian dollars. This was a considerable factor in an 'open' economy such as Canada's — but this is an action which cannot be repeated. We can't again damp down inflation by seeing the Canadian dollar rise vis-à-vis other currencies.

In summary then, Mr. Speaker, let me say that while we can anticipate growth in Canadian output in 1972, the twin dangers of high unemployment and inflation must still be reckoned with.

Governments must find some new methods of controlling inflation — methods which will not condemn hundreds of thousands of people to unemployment. We look to the Federal Government for leadership in meeting this challenge.

Turning now to the Saskatchewan economy, our economy experienced qualified improvement in 1971. It appears that the provincial economy is recovering from its earlier downturn. However, due to the depths to which the economy had sunk in the past three years, much greater improvement is required before any real advances can be claimed.

The Saskatchewan economy is dominated by the performance of the farm sector. There we had some improvement. Realized net farm income first had plummeted from \$480 million in 1967 to \$193 million in 1970 — just about one-third as a result of a drop in grain prices and a drop in grain sales. Economic activity in all sectors of the economy had slackened, retail trade had declined, construction ground to a near halt, and employment opportunities all but disappeared. Many Saskatchewan residents moved elsewhere in order to find opportunities

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and during this period our province suffered the greatest decline in population any province has ever suffered in peacetime.

Now as I said the year 1971 brought a significant improvement in returns to farms — an increase of 87 per cent in realized net income. While wheat sales remained like the main component of farm cash receipts, the expansion of other secondary field crops increased receipts from these sources by about 50 per cent.

Saskatchewan's developing livestock industry continued to advance. Provincial inventories of cattle and calves in 1971 were third highest of any province in Canada. During 1971, livestock increased in all areas — cattle, calves, sheep and hogs. Some price problems were encountered, notably in hogs, but by year-end prices had improved and we look forward to these improvements continuing in 1972.

Growth in non-agricultural production has been slow, and real gains over the pre-1969 levels have been small. Some industries haven't yet regained their previous levels. The construction industry has only now, due largely to publicly supported programs, begun to show a noticeable revival. The increase in private investment in Saskatchewan, as in other provinces, remains sluggish.

The gross value of mineral production in Saskatchewan rose up \$421 million in 1971, up from \$383 million in 1970, up \$38 million or 10 per cent. The major portion of this increase came in the non-metals, with potash price and volume increases responsible for most of the rise. Declines both in demand and price affected sodium sulphate production. Crude oil and natural gas are estimated to account for an increase of more than \$22 million in the value of fuel production in 1971.

Increased mineral production is predicted for 1972 because of improved market conditions and improved labour relations. Incidentally we lost some production particularly in the metal sector because of strikes in 1971.

Retail sales have responded to the resurgence in farm income and increases in other components of personal income have similarly added to retail sales. Total sales of \$1,121 million in 1971 were 10 per cent above sales in 1970. A further rise in retail sales is likely in 1972.

The prospects for maintaining the present rising trend in economic activity are encouraging. The continued rise...

Mr. MacDonald (Milestone): — I hate to interrupt the Premier but it is customary and traditional for Members of the Opposition to receive a copy of the Budget Estimates. I have just received a note we're not going to until the conclusion of the Speech. Surely normal, common courtesies would be available to us.

Mr. Blakeney: — I'll just comment on that, Mr. Speaker. I can tell you what the normal, common courtesy was when I was budget critic for seven years and as I recall it two of those years I, as budget critic, got the Estimates and the Speech before the end of it and the other five years I had to wait until the end of the Speech before I was given the courtesy of a copy.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Before I came into this House today I delivered to the budget critic of the Opposition a copy of the Estimates and a copy of the Speech. I thought I was doing something that was far more gracious to the Opposition than they did for me. I have no objection to copies being circulated. I want to point out, however, that when we were the Opposition these courtesies were not extended to us and may I say I did not interrupt the Provincial Treasurer to ask for them.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The prospects for maintaining the present rising trend in economic activity are encouraging. The continued rise of personal income to an estimated \$2,650 million in 1971 should aid in increasing the demand for consumer goods and services within the Province. Public pros are expected to stimulate higher levels of construction activity during 1972. A revival of the Canadian economy will hopefully result in increased demand for manufacturing and primary products.

The prospects for continued improvement in the agricultural sector provide encouraging signs that income flows will be sufficient to revive demand and employment in 1972.

But despite many encouraging aspects in the provincial economy, unemployment remains a constant problem. Programs provided in this Budget are designed to provide new stimulus to the economy and create new employment opportunities.

Before outlining our budget proposals for next year, 1972-73, it is customary to review the fiscal results of last year, 1970-71 and the current year, 1971-72. I have for the record included this review in my remarks but, with the consent of the House, to include these remarks in the formal record without stating them, I will pass over last year's results which are already in print in the form the Public Accounts and turn to results for the current year of 1971-72.

One year ago the now Leader of the Opposition introduced a budget into this Legislature. The budget called for budgetary expenditures of \$450.7 million with revenues of \$451 million.

At that time we in the Opposition termed the budget a 'bogus budget'. It was not until we took office on June 30th that we learned how unreal certain aspects of that budget were.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Before describing the shifts in budgetary expenditures which our Government has been able to effect, I should perhaps recast the original budget to reflect what would have occurred had the previous administration stayed in office.

The Provincial Treasurer of that day indicated that the Department of Public Works capital expenditures would be \$15.8 million in an effort to ease unemployment and to provide work for our people. \$15.8 million, Mr. Speaker, talk about inflation! Never has a figure been more inflated than that

particular figure. Mr. Speaker, there were no plans, there were not work programs, there was no possible way that \$15.8 million could have been spent in this fiscal year by the Department of Public Works. Indeed a good bit of the money way, as the quaint saying goes, frozen, by which is meant it was not intended to be spent.

Since taking office, our Government has accelerated the timing of construction projects to the maximum. Even so, we shall be able to spend only \$8.3 million on these capital projects. Similarly with Education expenditures, the former government provided a cosmetic touch to the school grant figure.

\$81.8 million was provided for operating grants and then they propounded a grant formula which involved spending only \$78 million knowing that they would, thereby, have a nice looking figure in the budget and save themselves \$3 million.

\$9.1 million was provided for capital grants for schools, when only \$6 million was required to meet the needs for the planned new facilities.

We might ask then, how serious was that Government, about finding jobs for the unemployed, about shifting the municipal tax burden?

On the other side of the picture certain expenditures were understated, and I call this to the attention of the Acting Leader of the Opposition (Mr. MacDonald). \$35 million was provided for the Saskatchewan Assistance Plan payments in 1971-72 when costs in the previous year were already at that level and rising sharply. In actual fact, costs will run to about \$42 million or 20 per cent above the projected level.

To summarize last year's budgetary proposal:

- Expenditures on public works and school grants were over-stated by almost \$15 million.
- Expenditures on welfare were understated by about \$4.5 million on a net basis after giving full credit to Federal cost sharing.

Since taking office our Government has made a number of changes in the spending proposals:

- Mr. Speaker, we eliminated deterrent fees at a cost of \$5.5 million.
- We removed medical and hospital premiums for people over 65 at a cost of \$2.5 million.
- We increased spending in Agriculture by over \$1.3 million.
- We accelerated capital works by the Department of Public Works by over half a million dollars.
- We increased Natural Resources capital expenditures by over \$800,000.
- We increased Highways capital expenditures by \$2.5 million.
- We extended house building assistance grants by an extra \$800,000.
- We expanded manpower training courses at a cost of \$300,000, all designed to create employment for our people, Mr. Speaker.

- We initiated a student bursary and loan program at a cost of \$600,000.

In addition to these shifts, Mr. Speaker:

- \$3 million will be paid into the South Saskatchewan Base Hospital suspense account to relate the expenditure more closely to costs incurred during the year.
- \$1 million will be required for the purchase of the Regina Grey Nuns' Hospital.

These changes, together with other miscellaneous over and under expenditures will bring our total budgetary expenditure to \$461.5 million.

In the current year we propose to provide for the complete settlement of the Athabasca Pulp Company commitment. You will be asked to provide \$6.3 million in the current year to cover the gross figure for this purpose, bringing total expenditures to \$467.8 million.

Notwithstanding this increased expenditure, Mr. Speaker, the Budget will be balanced.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Budgetary revenues will exceed estimated revenues by over \$18 million. This is largely a reflection of the improvement in the farm cash situation.

Personal and corporate income taxes will fall by some \$21.5 million, due entirely to downward adjustments on account of overpayments in previous years.

Mineral resource revenues will fall somewhat due largely to declines in bonus bids and to work stoppages in the metals industry to which I earlier referred.

The growth in the equalization entitlement is sufficient not only to cover these decreases, but also to cover the over-expenditures which I mentioned earlier.

Thus, as I say, Mr. Speaker, we anticipate a modest budgetary surplus in the current fiscal year ending this month.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In reviewing the Province's finances, I should like to outline the borrowing program which was undertaken in 1971 to finance non-budgetary transactions.

The 1971-72 budget estimated the Government's borrowing requirements to be \$60.5 million. It now appears that only \$44 million will be required during the current fiscal year. The Municipal Financing Corporation and Saskatchewan Economic Development Corporation did not require borrowed funds in the amount originally provided.

All debt incurred during 1971-72 was self-liquidating. Funds were advanced to the Saskatchewan Power Corporation,

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Saskatchewan Telecommunications, SEDCO and the Saskatchewan Water Supply Board. If I may digress for a moment — perhaps to call advances to the Saskatchewan Water Supply Board as self-liquidating is to use poetic licence.

That particular Liberal Crown corporation, Mr. Speaker, and we have heard about the Tannery and the Shoe Factory and all about the combined losses of the Tannery and the Shoe Factory. But that Liberal Crown corporation, the Water Supply Board, can manage to lose more money in four months than those two did in their whole career.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — All borrowed funds were obtained by issuing debentures to the Canada Pension Plan which makes funds available to all provinces at favourable interest rates. The total amount of debt redeemed during 1971 amounted to \$8.8 million of which Saskatchewan savings bonds accounted for 36.7 per cent.

The 1971 sinking fund contributions amounted to \$22.9 million, bring the total assets held in sinking funds available for debt retirement to \$161 million at the end of the calendar year.

Mr. Speaker, I should now like to review the operations of Crown corporations during 1971.

At the outset let me make clear that this Government will encourage the continued operation and expansion of Crown corporations.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — And we very much hope that our record will be better than that of the Members opposite. We will develop our resources for the benefit of Saskatchewan people and where appropriate, this will be done through Crown corporations.

During 1971, our Crown corporations provided employment for over 6,100 people. The corporations also paid \$863,000 in dues and royalties to the provincial treasury, and over \$3 million as grants in lieu of taxes to municipal governments. The volume of business done increased by over \$8 million to a total of \$204 million.

The two major utilities, SaskTel and Saskatchewan Power, again accounted for a major part of total corporation revenues and recorded surpluses of \$12.7 million and \$20.8 million respectively.

Despite an operating deficit of \$267,000 incurred by the Saskatchewan Timber Board, the Government Finance Office group of corporations showed a net surplus of \$956,000 plus a net income of \$669,000 on financial transactions, allowing the Government Finance Office to pay a dividend of \$1 million into the consolidated fund in 1971, and to repay \$1.2 million against advanced made to it by the Treasury in previous years.

The two lending corporations, Saskatchewan Economic Development Corporation and the Municipal Financing Corporation

operated successfully, and the value of loan approvals by the two corporations increased significantly in the past year.

Mr. Speaker, I now turn to our budgetary proposals for the forthcoming year.

Today we hear a great deal about the increasingly complexity of our society and the pressures which this brings to bear on the individual and his relationships with his family, his friends, his social organizations and his work.

These pressures are real and they are increased by the relentless advance of technology and communications and by the increasing pace of change. We need to find new means to deal with them individual problems — to develop new institutions and policies to cope with new social problems and social demands.

Government activity has increased dramatically in size and scope during the last 25 years. And government, like other organizations, has become more and more remote as it has grown.

The very institution in which, we as free individuals, have placed our confidence has tended to become an anonymous 'they'.

In this day of big government and complex living, we believe that we should do everything within our power to make government more accessible, less remote more humane and less insensitive, to the people it serves.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — With this in mind, we propose a series of programs. We propose to establish a Government Information and Referral Centre with a toll-free hot line to give citizens ready access to information regarding government services and assistance in dealing with their problems.

We propose to make extensive use of legislative committees to provide a forum for public discussion of important issues before policies become crystallized.

We also propose to provide new avenues of redress for individuals who believe they have been wronged by an administrative action of their government.

In 1964, the last year our party held office, budgetary provision was made for a special legislative committee to consider the possibility of establishing a commissioner for citizens' rights, or Ombudsman, to provide citizens with an avenue of appeal from administrative decisions which they consider to be unjust. At this Session, legislation will be introduced and funds provided to establish the office of Ombudsman, responsible not to the Cabinet but to this Legislature, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In 1964, this was a venturesome proposal since the idea of ombudsman was not well established in Canada. Now many, many provinces have fallen into line since that time and

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I should have thought that all progressive people would share our view that the time has come to establish an Ombudsman in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — You will also be asked to provide funds for the establishment of The Saskatchewan Human Rights Commission to administer legislation which guarantees the basic rights of every citizen against discrimination in employment and accommodation.

This year we will introduce an experimental program of court counselling to inform accused persons of their basic rights and privileges before they are brought to court.

Individuals also find themselves in an unequal position not only in dealing with their government, but also in their daily dealings in the market place. We are therefore providing for a new Department of Consumer Affairs which will place greater emphasis on consumer protection and the development of consumer legislation.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — But perhaps those in greatest need of assistance in dealing with public and private institutions are those who subsist outside the mainstream of our society. These people need special opportunities to develop their own voice — to learn to help themselves.

To this end, funds will be provided for a Human Resources Development Agency. This Agency will undertake new approaches to working with people who suffer from cultural and economic isolation. It will provide economic and community development. It will provide a communications link with government. We believe that this will offer hope. This will offer assistance — real assistance — for some of the most disadvantaged people in our society.

During this Session you will be asked to pass legislation to establish a new Department of Northern Saskatchewan and to vote money for this purpose. This Budget provides only for the nucleus of the new Department. In the future, it is planned to transfer to the Department of Northern Saskatchewan responsibility for major government services offered in northern Saskatchewan. This will involve significant transfers of staff and funds from the Departments of Education, Natural Resources, Welfare, Health and others.

The grouping of most government services under one administration in the North should halt the fragmentation of government services and provide common direction for the delivery of those services. And how often in northern Saskatchewan or in any place remote from the capital have you seen one government agency seemingly operating at cross-purposes with another?

We hope that this agency will, in addition, provide a focal point in Government to which the people who live in the North can make known their needs and wants.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Prior to taking office, our party repeatedly protested the downgrading of the Department of Labour.

I can remember well making some budget presentations and reviewing the long, long list of government departments and finding that all of them had budgetary increases but the Department of Co-operation and the Department of Labour. Time and time again this was the picture.

We believe the Department of Labour has an important role to play. The former Government's interference in industrial relations crippled the collective bargaining process. We believe there is a more constructive road to follow.

We have already taken steps to establish fair labor standards. We intend to take further steps to create a climate whereby collective bargaining can operate effectively without undue constraints.

In this Budget you will be asked to provide money for a significant increase in the staff of a reorganized Department of Labour.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In the newly structured Department four divisions will replace the existing 11 branches. The four divisions are labour services, occupational health and safety services, research and administration.

The Occupational Health Branch of the Department of Public Health and the Industrial Safety Branch of the Workmen's Compensation Board will be moved to the new division in Labour.

An executive officer will be added to the Labour Relations Board to act on behalf of the Board in the period between board meetings. This officer will be able to give temporary certification to unions and order votes, to do routine matters, thereby avoiding strike action.

The addition of two more industrial relations officers to the Labour Relations Branch will permit more prompt attention to disputes, to request for mediation and conciliation. In an effort to prevent potential disputes the Department will also launch a program to review collective bargaining agreements before they expire.

The staff of the Research and Planning Division will be doubled. This will permit expansion of research activities in major areas of concern such as manpower training, labour standards, industrial relations and conditions of work for female employees.

Four labour standards officers have been added to the Branch in a continuing effort to provide greater protection to workers through the enforcement of labour standards.

Mr. Speaker, I have already referred to the problem of unemployment in Canada today. While unemployment is unlikely to

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drop significant on a national scale during the coming year, we anticipate that the recovery in the agricultural sector will provide some relief provincially.

We are looking for a general improvement in housing construction with increased spending, both public and private, for this purpose. In addition, our capital works program will include \$11.8 million in Public Works, more than \$2.3 million in Natural Resources, \$5.3 million for Agriculture and \$51 million in direct spending or grants for highway and road construction.

You will be asked to provide \$1.5 million for a Provincial Employment Program. This program is specifically designed to provide jobs for our young people.

We have urged the Federal Government to design a program for winter employment for next winter now...

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — ...so that in the event of high levels of unemployment this coming fall, as I am afraid are all too likely — our local governments will have projects ready to go.

The Provincial Government is currently planning projects which can be brought forward if unemployment is excessively high next fall.

Mr. Speaker, I will not now burden the House with outlining what was wrong with this year's winter works program. I have stated that only many occasions. All of us know that you cannot commence winter works programs for winters of Western Canada by announcing programs in October. We are accordingly, urging the Federal Government to act now. We are and they are committed to a conference in May which will lay out the strategy for next winter and, if this is done, we will have done far more next winter than will have been possible this year because of federal tardiness.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: —Mr. Speaker, this Government proposes a new direction for economic development. We will support resource development, but without excessively public subsidy and only under conditions which preserve and protect our natural environment.

We will put emphasis on those projects which involve further processing of our natural products and other raw materials.

We will give new emphasis to manufacturing - manufacturing products for the prairie basin market. We had many such projects before and we can see them about us in steel mills and cement plants. We believe that this can be done again.

We will promote the development of tourism and its associated service industries.

To proceed with these plans, you will be asked to vote larger sums of money for the development and research activities of the Department of Industry and Commerce.

This balanced development, in our view, will create greater employment and more benefits for the people of this Province than they have enjoyed over the past several years when Government emphasis has been on big buck, big glamour projects.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Small businesses as well as small industries need direct assistance. The range of goods and services which they provide, whether in a rural service centre or in the city, are essential to our commercial and community life.

To aid in this development and maintenance of small businesses, we are establishing, within the Department of Industry and Commerce, a Business Assistance Branch.

This Branch will provide management advice as well as direct grants and direct loans to eligible business concerns.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We intend to develop our tourist industry more fully.

In this Province we have been blessed with vast expanses of natural beauty. The solitude of our northland is precious to those who seek a retreat from the rapid pace of urban living.

The provision of tourist facilities and the promotion of our province's tourist attractions are high among this Government's priorities. We believe that a successful tourist industry will generate large returns for the people of the Province and particularly of northern Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We recognize the need to expand public facilities if we are to build our tourist industry and if we are to provide our own people with recreational opportunities. Accordingly you will be asked at this Session to vote increased sums for expanded park and camping facilities.

You will be asked to provide funds for:

- Continued major development of the Cypress Hills Provincial Park.
- Development of an improvement to campgrounds and picnic sites throughout the Province.
- Clearance of wilderness trails in various regions of the Province.
- Establishment of camping and picnic facilities at Lovering Lake.

The addition there would provide many new facilities for almost every provincial park throughout the Province.

We also propose to participate fully in the celebration of the Centennial Year of the Royal Canadian Mounted Police in 1973.

Some Hon. Members: — Hear, hear!

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Mr. Blakeney: — Mr. Speaker, we need more reliable information about the potential of our mineral resources if these resources are to be developed for the benefit of the people of Saskatchewan. And so we are starting on this route:

A comprehensive survey of the coal resources of Saskatchewan will be started this year. This project to be shared between the Federal and Provincial Governments, will take two years to complete at a cost of \$750,000.

Since 1948, the Department of Mineral Resources has been carrying on a geological mapping service in Northern Saskatchewan. To date about 30 per cent of the Precambrian Shield area has been mapped. In 1972-73 we intend to accelerate that program. The Budget includes \$165,000 for the survey and mapping program, an increase of 32 per cent over last year.

To further stimulate the development of the mineral industry and to encourage our own people to get involved, we propose to implement a program to train and assist prospectors. A Prospectors' School will be conducted at La Ronge during April and May. We are providing \$75,000 for the employment of 16 prospectors for three months to provide practical training and experience.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, I say again the most important industry in this Province is agriculture.

A buoyant agricultural economy means a buoyant provincial economy.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Although the agricultural industry has experienced difficult times in recent years, this Government has formulated programs designed to improve the economic position of farmers in Saskatchewan, and to enlarge their opportunities. Mr. Speaker, to promote and sustain family farms we propose to inaugurate a Land Bank program.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Let me say that this is not the panacea for all our agricultural problems.

The establishment of the Land Bank Commission will, however, encourage, and we believe may play a vital role in preserving the family farm as the basic unit of agricultural production in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The Land Bank Commission will offer an attractive option to the young farmer by eliminating the necessity of him

raising large amount of capital for land purchase. It will offer an attractive option to the older farmer by providing him with an opportunity to retire in dignity at a time of his choosing.

You will be asked to provide \$10 million to be advanced for land purchases and approximately \$600,000...

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — ...we're going to provide \$10 million capital and \$600,000 for the start up and operating expenses of the Land Bank Commission.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The marketing of agricultural products continues to be one of the most perplexing problems facing farmers today.

We are providing \$150,000 to explore new approaches and to develop new techniques to increase marketing opportunities for new and present products.

In addition to increasing the marketing opportunities we'll be increasing the number of crop specialists to assist producers, we will also initiate a program to detect and evaluate the scale of field crop insect outbreaks. This should enable us to stop infestations before they reach the crisis stage.

In the field of livestock and dairying we have a number of programs of assistance. We'll assist in the development of an industrial milk processing industry. \$400,000 is provided to make grants to milk producers for the construction or the conversion of their facilities to meet the growing demand for manufactured milk.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — A anew program will provide veterinary inspection services to livestock markets to reduce the spread of disease among animals. In an effort to improve veterinary services in this Province, the Government will provide grants based on 50 per cent of the estimated cost of the construction of veterinary clinics.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — the community pasture program will be expanded. A total of 60 pastures will be developed, improved or continued in operation with an increase in spending of more than \$300,000.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The further development of irrigation works on the west side of the south Saskatchewan River Project will cost approximately \$2.3 million.

To encourage the commercial production of onions in the South Saskatchewan River Irrigation Project, an onion storage

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warehouse will be constructed at Outlook.

To provide farmers with more management services the number of farm business management courses will be doubled in the coming year.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, in review, the combined ordinary and capital budget for the Department of Agriculture will amount to \$18 million, a very substantial increase over the 1971-72 estimate of the previous administration.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Turning to crop insurance. It is our view that the crop insurance program is not meeting the needs of farmers.

Consequently, we propose to make substantial changes for 1972-73. We will include all crop production areas in the program, the whole province in the program. We will include two additional crops — rapeseed and flax.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We'll provide increased coverage for grain crops and individual coverage adjustment, and we plan to institute an aggressive sales policy.

We have provided for the sale of 20,000 contracts in the next crop year, it's a very, very optimistic target but we certainly intend to shoot for it and if we achieve it we shall more than double last years total.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The administration of the expanded crop insurance program will result in expenditure totalling \$692,000.

Mr. Speaker, the importance to our province of a thriving rural sector is paramount. In the past few years unwise policies have sapped many rural communities of their vitality by making them surplus in the economic scheme of things. Almost all of our smaller communities have lost population in the last ten years.

This trend must be checked. The family farm is the backbone of rural life and rural service centres are essential to the maintenance of these units. We believe that governments have a responsibility to act to slow down and, where possible, and if possible to halt depopulation.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Many approaches are needed. One approach is to improve the amenities of life in these rural communities. The New Democratic Party has consistently advocated the improvement of amenities in smaller communities.

Prior to 1964 the government brought a level of health care to rural Saskatchewan unequal in North America.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — That Government brought an acceptable level of education to rural Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In 1956 the Government introduced an assistance program for the establishment of a system of all-weather grid roads.

In 1960 we introduced the Municipal Water Assistance program under which communities received assistance for the installation of sewer and water systems.

In that same year we established the Family Farm Improvement Branch...

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — ...providing assistance to farmers to install water systems on their farmsteads. Many, many thousands of farmers — perhaps 20 or 25 thousand farmers — have made use of this program.

We extended electricity to farms, towns and villages. We started to bring natural gas to rural communities. I am not suggesting that the Government that followed us in 1964 did not follow some of these programs, they did. They did not innovate many. The only one I can think of is perhaps the unserved areas of SaskTel and in that regard SaskTel will spend more than \$2 million to continue the program of extending telephone service to previously unserved areas.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We propose a new program in this Budget to enable towns and villages to apply dust-free surfacing to their main streets.

There has been a program of assisting small communities with street graveling. We think the time has come to move to dust-free surfaces. It is hoped that through this program our towns and villages will become more attractive places in which to live.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — During the current year our Government introduced a Winter Works Program to complement the program introduced by the Federal Government. This program serves two purposes — to create employment and to provide much needed facilities for local communities

I will take a moment to outline the three major elements of the program:

First, the Province has allocated \$6.9 million to provide low-cost loans to local government bodies. This is in addition to all Federal funds. And as with the Federal program, the Province will forgive 75 per cent of the on-site labor costs where the labor is undertaken prior to May 31.

Second, we have initiated a program of outright grants for materials and other costs to communities who have borrowed under the Federal loan program or under the Provincial loan program. And these grants are equal to the on-site labor costs. \$4.5 million has been allocated for this program. Thus, both on-site labor costs and an equal amount of material costs are covered by forgivable loans or grants.

Third, we introduced a provincial Local Initiatives Program to provide grants for projects carried which perhaps did not involve capital expenditures or did not require loan capital and which didn't qualify for the Federal program. \$1.5 million has been provided for this program.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, we believe that these programs will generate more than \$15 million in additional capital investment at the local level.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The additional employment created through these programs will be significant.

In addition, the improvement of facilities in local communities will be enjoyed by the residents of many dozens of smaller communities for years to come.

Let me illustrate with a few of these and the list is scores long. Let me give you a few:

- A school gymnasium at Imperial.
- A library extension at La Ronge.
- Hospital renovations in Indian Head.
- A veterinary clinic in the Rural Municipality of Langenburg.
- A fire hall in Lemberg.
- A rink in Buchanan.
- A community hall in Kincaid.
- Sidewalk improvements in Moosomin.
- A museum building in Swift Current.

These represent practical steps to improve the quality of life for many thousand of people.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, in this Session we will introduce legislation to provide property improvement grants. Under this program grants will be made to farmers, householders and small business for the purpose of improving their land and

property holdings.

Our party promised a New Deal on homes, farms and small businesses.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In this Budget and in legislation which will later be brought into this House, we will make a giant step to fulfilling that promise.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Property owners now bear heavy burdens. They're the burdens of owning and maintaining and improving properties. They are the burdens of taxes for municipal purposes. These average approximately 35 mills across the province. There are the burdens of taxes for school purposes. These average approximately 43 mills across the province. Homeowners who live in their homes receive some assistance from the Provincial Government in the form of homeowner grants.

We propose a massive new grant program available for homes, farms and small businesses.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The grants will be called Property Improvement Grants.

It is the hope of the Government that these grants will be used to maintain and improve the lands and buildings of the recipients. Recipients will, however, be free to make their own decisions on what to do with the money received.

Under the new program the grant will be paid and it will be the greater of two amounts:

First: The grant which would be received under the present Homeowner Grant. Accordingly, nobody will suffer any reduction of his grant because the new program replaces the Homeowner Grant program.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — He will get either that amount or an amount equal to 13 mills of the assessment of his home, farm or small business up to the maximum assessed values as follows:

Homes	\$ 6,000
Small Businesses	\$10,000
Farms	\$15,000

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — I emphasize, Mr. Speaker, that these are assessed values and they are of course only a small fraction of market values in most cases. We believe that these assessment limits

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will mean that the vast majority of homes and small businesses and a large majority of farms will receive the grant on their full assess value.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — A total of \$23.4 million will be paid out under this program in 1972-73...

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — ...almost double the amount paid out under the Homeowner Grant program.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We believe this new grant will be welcome to all owners of homes, farms and small businesses. It will be particularly welcome to people who were not eligible to receive the Homeowner Grant. These grants will make a major contribution to assisting property owners in meeting the burdens they bear. We are proud to say that we promised to help property owners and we acted to do just that.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The Minister of Municipal Affairs (Mr. Wood) will be bringing in detailed regulations governing the new grants at a later date.

Mr. Speaker, the urgent transportation problems facing Saskatchewan in the 1970s are mostly under Federal jurisdiction.

I refer to:

- The inability of the rail system to move enough grain, with sufficient speed and reliability to export shipping points - particularly the point of Vancouver.
- The impending rationalization of the grain transport system.
- The continuing reduction of rail and freight services to rural points in this Province.
- The high and inequitable freight rates which penalize our industries and our consumers.

Our Government has taken steps — and will take more — to protect the interests of Saskatchewan farmers, businessmen and consumers in these matters. We will continue to oppose changes in the grain delivery system where they have merely the effect of reducing the railways' cost and adding to the farmers' costs.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We will continue to fight unacceptable reductions in freight services. We will press still harder for fair freight rates.

And, above all, we will urge decisive action to modernize

and expand the grain delivery system.

Within the province, we look to continued improvements in our market road and highway system.

With the virtual completion of the grid road system, launched by the CCF in 1956, emphasis has been shifted to farm access roads. Funds for this purpose will be increased substantially in this Budget by very nearly \$1 million.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The previous administration placed heavy emphasis on new highway construction. All too often, this emphasis resulted in unplanned crash programs that increased construction costs rather than the miles of roads built.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In the year ahead we have made budgetary provision to continue our highway construction on an orderly basis at approximately the same level maintained over the past several years. We believe that by this means we will get better value, far better value for the taxpayer's dollar — something long overdue in highway construction in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, compared to many other regions in North America, our air, water and soil are relatively clean. It doesn't follow, however, that we have any reason for complacency.

Our good fortune is more the result of delayed exploitation and slow economic growth than the product of virtue and foresight. To avoid the mistakes of others and to safeguard our future will require the combined efforts of individuals, organizations and governments.

The right of people to live in a healthful and pleasant environment is as fundamental as life itself. To protect and assure this right is a primary responsibility of the Provincial Government.

This Budget provides funds for the creation of a Department of the Environment which will have over-all responsibility for pollution control and the maintenance of environmental quality. This Department will prepare plans to ensure that future development conforms to established long-range public goals for the environment.

Education, Mr. Speaker, is a high priority with this Government. It will receive the largest single share of total Government expenditures in 1972-73. The total of \$166 million.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The educational needs of our province are changing. There has been a reduction in the number of students attending university while at the same time there has continued

to be an unsatisfied demand for admission into technical institutes. There is, as well, growing interest in community colleges and we propose to establish a new Department of Continuing Education so that the whole area of education for these who have left the formal school system may be co-ordinated and educational opportunities broadened.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This Budget, Mr. Speaker, provides for an additional 450 student placements in the Institutes of Saskatoon and Moose Jaw. In Regina, the new Institute of Applied Arts and Sciences will be opened and will accommodate over 400 students in the health sciences. Mr. Speaker, 850 new technical institute spaces in one year, a record for Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — During the past two years enrolment at the University has declined. The long-range forecasts of enrolment were made for approximately 10,000 students at each of the campuses by 1976 — a total of 20,000 students. The decrease in provincial population and developments in post-secondary education make it necessary to reappraise our university requirements in the years ahead. Current forecasts suggest that the total university enrolment is likely to reach only 15,000 by 1976 instead of 20,000.

This change will have a dramatic impact on the long-range construction program for the University. Decreasing enrolment suggests the desirability of even greater rationalization of educational facilities particularly between the Regina and Saskatoon campuses.

The grant to the University for capital construction will be \$8.5 million in the forthcoming year. This grant provides primarily for facilities currently under construction.

The operating grant will be increased to \$35.75 million in 72-73, by far the largest such grant in the history of the University.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — While the over-all grant increase over last year is 11.7 per cent, it represents, on a per student basis, an increase of 13.5 per cent. A very high figure. This grant provides for the commencement of a School of Social Work at the Regina Campus.

In the coming year construction will be started on a \$520,000 Vocational Centre in the town of Meadow Lake. This Centre will have a capacity of 220 students and will provide commercial and secretarial programs, as well as training in a number of trades.

You will also be asked to approve a work-training program for the Meadow Lake area at a gross cost of \$300,000. This program will provide approximately 2,750 students weeks of training.

Let me turn now to grants for schools. Operating grants to school boards will increase to slightly over \$90 million in 1972-73. This is an increase of \$8.2 million over the grant figure provided in last years 'bogus budget', and it will be a \$12 million increase over the grant levels actually approved by the previous Government.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This increase of \$12 million will be sufficient to offset the total increase in school board expenditures in 1972. As a result, the amount to be financed from local tax sources will not be any greater in 1972 than it was in 1971.

Mr. Speaker, we are proposing a new formula for determination of school grants for 1972. The procedure in the last two years required the Department of Education to review school board budgets and approve them at a particular level. This in turn determined the size of the grant to be given to the school board. It was the Department of Education therefore, and not the school board, that made decisions on questions of the numbers of teachers and the items of equipment to be purchased.

Mr. Speaker, we believe that these decisions should be left with the school boards.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Now our proposed formula is designed to achieve this objective.

The new formula will provide each school board with a grant which will support a basic school program at an average mill rate level.

If the school program is more costly than the provincial basic program, the ratepayers will be required to finance the program through higher mill rates.

If, however, a school board chooses to have a program which is less costly than the provincial basic program, savings may be passed on to the ratepayers in the form of lower mill rates.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This will mean that each school board will play a major part in determining the quality of the school program in its area and this is as it should be.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In the coming year, non-repayable bursaries will be available in amounts ranging from \$50 to \$500 to students qualifying for loans under the Saskatchewan and Canada Student Loans programs. This assistance will be available not only to university students and students enrolled in two-year technology programs at the Institutes, but also to students enrolled in pre-employment programs at various training centre throughout the province. This Legislature will be asked to approve \$900,000

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for this program this year.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This program will provide assistance to approximately 2,800 students.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, Grade Twelve students will be pleased to know that the Government will remove a distasteful tax which they were formerly required to pay and which was doubled under the previous administration. Examination fees for departmental examinations will be totally removed in 1972 thereby saving students \$100,000.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In the coming year training allowances for adults enrolled in a provincially sponsored training programs will be increased by an average of more than \$35 per month.

The former CCF Government of this Province pioneered the development of public hospital and medical care programs in Canada.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The New Democratic Party intends to continue that pioneering tradition. The right of every citizen to health care is a right which we strongly endorse. We have indicated this in our actions on deterrent fees and on medical and hospital premiums for senior citizens.

In this Budget \$93.1 million is provided to continue improvement of our health services. This is an increase of 20 per cent over 1971-72.

We have allocated \$16.9 million for psychiatric services. This will allow increases in the staffs at the training schools at Moose Jaw and Prince Albert where the staff levels have been kept at a level which was quite unfair both to patients and staff alike.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — It also provides for the inauguration of a Certified Home Program for emotionally disturbed children. Approximately 20 children will benefit from this new program.

The Alcoholism Commission will open a new In-patient Treatment Centre in St. Paul's Hospital in the coming year.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The former administration provided the Commission with space rented in the St. Paul's Hospital at a cost of

\$4,000 a month and did not provide them with any money for the program and the space stood empty.

The budget for the Alcoholism Commission will not only provide these funds, but will provide an additional \$120,000 for a new program to assist the Native Alcohol Council with its work in the treatment of alcoholism among native citizens.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, in this Budget we have taken major steps to humanize welfare services. We believe that welfare and social security do not stop with financial assistance.

The Regional Services Branch of the Department of Welfare administers the programs under the Saskatchewan Assistance Plan. And all of us know that there have been many, many more welfare recipients in the last several years. The number of clients since 1968 has increased by 35 per cent, but the previous administration restricted staff increases to four per cent.

It's obvious, Mr. Speaker, that a four per cent increase in staff couldn't adequately provide services to 35 per cent more recipients. And as a result it became a process of doling out money without any counselling and without any individual consideration. This is an example of the disregard of the previous Government for the people of this Province who were suffering hardships and need assistance and need counselling, need something else than being berated by the Members opposite.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Our Government is increasing the staff of the Regional Services Branch by 62 permanent positions. This amounts to 24 new positions and 38 positions which have been moved from a temporary to a permanent status. The previous administration had a little practice of maintaining people on temporary status, even though they were full-time employees some of them full-time as much as up to six years of service. This practice deprived the employee of security of tenure, of participation in the Government's pension plan and of other benefits they had a right to expect as full-time employees.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We have provided in the Saskatchewan Assistance Plan budget for substantial increases in food allowances. In some cases these increases will be up to 15 per cent.

The welfare of children who are victims of social problems is a concern of this Government. We, therefore are budgeting for a special foster home program for children who suffer from the emotional problems. When it appears to be in the best interest of the children they will be placed in foster homes rather than in institutions.

We are increasing the regular foster home payments to foster parents by 10 per cent. These rates have not been increased since 1969.

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This Budget also includes several new or increased provisions in the welfare area.

\$705,000 is provided for grants to assist in the construction of special care homes, an increase of \$180,000.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — \$84,000 is provided for a new work activity project in Regina to assist disadvantage persons in the development of basic life skills.

\$30,000 is provided for a new work-training program in Saskatoon to complement the rehabilitation programs in the Provincial Correctional Institutes.

These, Mr. Speaker, are some of the measures which this Government is taking to assist the less fortunate in our society.

Let me turn now, Mr. Speaker, to the revenue side of the Budget. In estimating revenues for the next fiscal year, we have assumed a modest improvement in the economic activity. If there is a significant improvement the estimates before you today may prove to be conservative.

Based on a continued improvement in retail sales, we anticipate that revenues from the Education and Health Tax would increased to \$73.3 million in the coming year. This will be true if no changes are made in the tax base.

But, Member we propose to make a change in the tax base. Effective April 1 we will eliminate the tax on meals of \$2.50 or less.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — \$2.50 or less. The elimination of the so-called 'hot-dog tax' will reduce receipts from the E & H tax by \$750,000.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Gasoline taxes are expected to yield \$55 million, individual Income Tax is expect to yield \$70.8 million, Corporation Taxes \$15.3 million.

Due to changes in the Federal Income Tax and Federal Succession Duties, you will be asked to approve a Provincial Gift Tax and Succession Duty Act at this Session.

Prior to January 1 of this year three provinces — Ontario, Quebec and British Columbia — levied their own provincial succession duties. By agreement with the Federal Government the remaining seven provinces did not levy a succession duty, but received 75 per cent of the Federal Succession Duties, estates taxes as they are called.

On January 1, 1972 this arrangement was ended by the Federal Government. The Federal Government will vacate the entire estates tax field in favor of the provinces.

We should have preferred if the Federal Government would stay in the field, because this would ensure uniform legislation across Canada and provide the most effective means of levying a tax on wealth. Furthermore, we have maintained that a tax on wealth should be a national tax to be distributed amount all provinces. While wealth may rest in one province, its accumulation is likely to be the result of national economic activity and national growth. This has been the position of the Government of Saskatchewan for 25 years, regardless of what Government was in power.

The Federal Minister of Finance acknowledged this point but would not reconsider his Government's position. He did, however, offer to collect succession duties for the provinces which previously shared the Federal Tax if a uniform tax base could be developed. And on December 29 the six co-operating provinces, namely Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia, Manitoba and Saskatchewan issued a communiqué outlining the base, exemptions and rates of gift tax and succession duties. Discussions are continuing with these co-operating provinces and with the three other provinces which have succession duties, namely British Columbia, Ontario and Quebec to see if we can get something that will be more or less Canada wide. We will have nine provinces in the field as soon as the legislation is passed at these sessions.

The taxes will, in all cases, be effective on January 1, 1972.

Mr. Speaker, a tax on wealth, wealth represented by large estates, is in my judgement a fair tax.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The level of exemption was designed to allow the passing of medium-sized farms and businesses from father to son without the payment of any tax and fairly substantial estates with the payment of only modest tax. Generally the levels of tax proposed for Saskatchewan on transfers from father to son, for example, will be lower than almost any other province.

Our Government believes that the vast resources of this Province belong to the people. When these resources are development, we believe that the owners of these resources should share in the fruits of production. In order to do this to a greater extent our Government re-introduced the net royalty type of oil and gas mineral land leasing. This has already meant that more companies are bidding and giving an intention that they are bidding. It will serve to encourage smaller operating companies to bid for and acquire Crown mineral lands by paying a smaller bonus payment and a higher royalty rate.

To increase resource revenues still further in the coming fiscal year we will revise tax and royalty rates to reflect a more equitable sharing of the profits for mineral production. The revised rates will yield an additional \$6 million in revenues to this Province.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We anticipate that revenues from minerals and

mineral development in the year ahead will be approximately \$39 million.

In the forthcoming year, we expect our receipts from equalization payments under the Federal-Provincial arrangements to increase to \$119 million. This increase is due to two factors. The first is changes which have been in the formula for 1972-73 as a result of vigorous representations made at Federal-Provincial conferences.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This, Mr. Speaker, will mean an extra \$10 million for Saskatchewan next year and we believe in almost every succeeding year.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The second factor is an upward adjustment payment on account of underpayment in the previous years. Total receipts from other governments are expected to increase to close to \$156 million. Receipts from government enterprises will be to the order of \$49 million. We are estimating total revenues to be \$154 million. Our expenditure proposals will be \$513.2 million, leaving us with a budgetary surplus of approximately \$800,000.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, that is our Budget!

In it we accomplish a great many of the objectives set out in our four-year program. The doomsayers representing the party opposite, Mr. Speaker, have said that our promises would either mean the road to bankruptcy or pie in the sky. They said our promises were either the road to bankruptcy or pie in the sky and they have used each term and both. These are neither, Mr. Speaker. In impressive numbers they are hard realities in New Democratic Saskatchewan.

In many cases what we are now delivering are things which a few months ago the Opposition Party opposed vehemently on the grounds that to do them in four short years would bankrupt the province. They are not attempting to belabour us for not having done them in eight months. This tells us either that the party opposite is totally irresponsible and opportunistic in financial matters or that the financial fortunes of the Province have shown remarkable progress in eight months.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — What can we say of a party which assured us only months ago for example, nine months ago, that our four-year health program would bring on bankruptcy, and now by formal resolution introduced into this Legislature, is recommending that this very program be brought in, not in a four-year program, but immediately?

What can we say, Mr. Speaker, that the voters have not

already said and indeed that some members of their own party are not already saying? Who could put any reliance on people who exhibit that measure of cynicism about public affairs. I suggest, Mr. Speaker, that until the Opposition alters its present stance of cynicism and opportunism and puts forward — for good or ill — its programs and its alternatives, this Legislature will not be able to discharge its full responsibility to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, we on this side of the House will proceed to introduce our program. We are impressed neither by the Opposition's former cries of "Stop, stop!" nor their new cries of "Hurry, hurry!" At the end of the Session and based upon this Budget we will be proud to report to the people of Saskatchewan on our election program.

Let me give some examples of the progress we shall be able to report: Deterrent fees — abolished! Health premiums for people 65 years and over — abolished! Chiropractic care — under negotiation!

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — For the sick and senior citizens, Mr. Speaker, we promised and we delivered. Increased minimum wages — done! Bill 2 — repealed!

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Overhaul Workmen's Compensation — partly done! Massive program to create jobs — in progress! This Budget does much more.

For working people, Mr. Speaker, we promised and we delivered. Upgrade the quality of education — done, with more to come. Arbitrary pupil-teacher ratios — abolished! Bursary program — established!

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — For our students and young people we promised and we delivered.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Family farm protection — under way with many new programs! Land Bank Commission — established! Small business — promised program launched! Property tax — huge additional payments to homes, farms, and small businesses! For our farmers and small businessmen, Mr. Speaker, we promised and we delivered!

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, resource give-aways — stopped! Department of the Environment — established! Resource revenues — a

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large increase in this budget. Mr. Speaker, we promised to protect and develop Saskatchewan resources for Saskatchewan people. Mr. Speaker, we promised and we delivered.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, in the judgment of any fair-minded person, this is an impressive record of performance, second to none in the history of this Province

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Accordingly, Mr. Speaker, it gives me great pleasure to move, seconded by the Hon. Mr. Romanow, that this Assembly do now resolve itself into the Committee of Finance.

Some Hon. Members: — Hear, hear!

Mr. K.R. MacLeod (Regina Albert Park): — Mr. Speaker, it is traditional to receive copies of the Budget Address and the Estimates before the Budget Speech is given, as I under it, and I think the Premier, the Hon. Provincial Treasurer, for giving me a copy both of the budget Speech and the Estimates. I rather wish tradition had progressed to the point where all Members of the Opposition could have received copies prior to this and I regret the history in that regard.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Now I am not as fluent as the Hon. Provincial Treasurer, because I of course have not had an opportunity to study this until we came in the House today. My remarks are not pre-written in the fashion that his were, so I shall not be quite so fluent but I shall be able to avoid, I hope, one or two errors that do creep in when the words that are printed become obsolete before they are delivered. There are one or two cases where that seems to be the case.

The one other think that I should like to suggest is, and this without any uncomplimentary connotation whatsoever, is that this building be given more air conditioning particularly on days where we are to receive as long a speech as we have today with as many people in the House. I am not in any way suggesting that the air generated was warmer than on other days — I see nothing in the Budget to provide for air conditioning.

I congratulate the Premier on his return to the post as Provincial Treasurer and I congratulate him on his very find presentation today. It is traditional to say something nasty about the Provincial treasurer. I discovered this upon looking over the Provincial Treasurer's remarks and responses in the past 20 years and I find that they usually say something like 'after the next election you will be over on this side of the House' or that 'the way this Province is going it may not be in existence long enough to have another election'. I won't say that type of thing because I don't believe in making that kind of remark.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — I might also say that it is traditional to wear something unusual or exceptional at this time. Everybody who is my age and older remembers the Hon. C.M. Fines wore his cornucopia tie. He started by wearing it when it was in style, I recognize that it went out of style, but he kept wearing it long enough that it got back into style again. He is still wearing it in California. I understand he has now saved up enough money that he can buy another tie.

The Hon. Dave Steuart wore a thrifty Scottish tie presented to him by Ian McDougall. I thought of wearing my other suit today but my wife want to mend it. I decided to go with the good one. It would, I think, be appropriate for me to have worn this suit with my pockets inside out after looking at the Budget.

I cannot avoid commenting on the very pretty carnations that the Members across the way are wearing. It is not without significance that we have in front of us a budget that has the smallest surplus I have seen in years, it has less than one-fifth of one per cent of potential surplus, which is a pretty small surplus when you are talking about a budget of more than a half billion dollars. It is only appropriate to note that the colour of the carnations is red.

What I intend to do, Mr. Speaker, in the debate today and more particularly on Monday, is to set forth the area of responsibility and the priorities which I intend to set in dealing with the finance matters as I see them. I shall deal with this substantially on Monday but today I should like to suggest how much I do appreciate the honour conferred upon me by my colleagues on this side of the House in appointing me to the office of financial critic. I shall do my best to discharge this responsibility to them, to the House and to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — I will say that we intend to look at both the Throne Speech and the Budget because the Throne Speech tells what the Government intends to do and the Budget what they plan to do about it, and how they intend to accomplish what they set out to do. I would remind us all that a budget is a plan, it reflects the optimism of the man who prepares it, but it is a pretty illusive thing. It is easy to balance because all you do is fill in the blanks and you find that you can achieve the necessary balance. With a lot of forecasts these days a lot of things do not come the way you expect them or predict them. I was observing on the financial page the other day a statement that all wheat sales were dead, that it appeared that nobody wanted to have Canadian wheat, demand was drying up. Two days later the largest wheat sale of the year was announced by Otto Lang. That's how forecasts tend to be out of date in rather a hurry.

I want to point out four quick little booklets that relate to the Budget and how we shall deal with it. Of course we have the Budget Address, then we have the Budget Estimates. The address is what the Hon. Provincial Treasurer just gave and of course out of the address we get such words as 'giant step', 'progress', words of this type. It is in the Estimates that the dollars and cents come in, and the financial statements coming in a year from now tell how we made out.

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I want to spend one or two minutes only on the last complete year of the Liberal Government. There are one or two people who believe that I haven't totally been a strong supporter of that Liberal Government but the longer I go, the stronger I get. In 1971 I observe that in a year where every government in Canada — that is, all provincial governments in Canada — lost over \$600 million, Saskatchewan produced a plus of \$10 million, a surplus of \$10 million during the time everyone else was losing \$600 million.

I look at the Budget on page 8 as I have it here. I am interested to discover that despite a 'phoney budget' there was a surplus \$1.4 million produced in the 1970-71 fiscal year.

I look at page 34 and I discover that of the \$40 million increases in the money received from the Federal Government this year some of that related to last year's budget and ought properly to have been reflected in a larger fiscal profit for the Liberal year, the last one in office. I cannot help but note as I go by that of all the increased the largest part comes from increases in Federal money contributed to the province, \$40 million more from the Federal Government to the Provincial Government...\$50 million, I am sorry, \$50 million more from the Federal Government to the Provincial Government, and that represents almost all the increased spending over last year's budget. This is in fact a 'poor cousin' budget in which we in Saskatchewan appear to have been paid for our increases by continuing and increasing grants from the Federal Government.

I only have a few more remarks to make today. I would remind all of us that the Budget address and the Estimates are presented with great pomp and ceremony. When we get the financial statements however, I believe that we shall probably get a messenger from the office of the Provincial Treasurer around 4:00 o'clock in the morning, sneaking them under our door, because the revenues show precisely what came of the budget forecast a year prior. I cannot help but note at this moment that our highway program under the Liberal Government produced some of the very best roads in Canada, all over the province, in what is always known as a province with lots of miles of road for a very few people. In fact, I am told that Saskatchewan has more miles of road than the provinces of Manitoba, Alberta and British Columbia combined. We have today some of the finest roads in the country. I observe that the Provincial Treasurer does not see fit to improve upon the Budget in any way for road building, construction or maintenance except a small amount in the maintenance area.

Let me just deal with one or two items. I wanted to deal with the school matter as it was shown in the Speech on page 28. Mr. Speaker, here is what the Provincial Treasurer said:

The procedure in the last two years required the Department of Education to review school board budgets and approve them at a particular level.

We have now changed the name, I understand. There is not a budgetary review, but a budgetary analysis. This may be something different but I suspect it is a change in name and not a change in what really occurs.

And then he says it was the Department of Education and not the school boards which made decisions on questions such as the

number of teachers and items of equipment to be purchased. The only problem that this poses with me is this: does the school board have any real power or not? I am wondering if the Department of Education or the local school board decided on the hiring or firing of a schoolteacher in the area of Moosomin, Saskatchewan.

One more thing I should like to mention, Mr. Speaker, is that the Hon. Provincial Treasurer said this:

We believe these decisions should be left to local school boards. The proposed formula is designed to achieve that objective.

I just have in front of me a photocopy of a commentary in the Saskatoon Star-Phoenix dated March 8, 1972. The headline is "Campus In Turmoil Over Budget Cutbacks."

The University Budget Advisory Committee has been meeting steadily since last Thursday, deciding how to cut costs to save some jobs threatened by a budget squeeze facing the university.

It goes on to say that over 175 teachers are threatened. Estimates at the present time are that 20 to 40 non-tenured faculty members will have to go, but they have given notices at the present time to over 100 non-tenured teachers on the faculty because the University did not get the money it expected from the Provincial Government.

What has happened is that the Provincial Treasurer has decided, and the Government of Saskatchewan has decided, that these problems are not going to be resolved. They believe that these decisions should be left to the local school boards. They will have their own problems to solve. They will get some money, not what they expect, and they will have to resolve their difficulties.

Obviously the unemployment program has not improved. We went from the student temporary employment province called 'STEP' to the provincial employed program called 'PEP'. I assure you it was not a step up, it was a step down.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — It did not improve in anyway. The difficulty is this, Mr. Speaker, the STEP program provided \$1.5 million for temporary employment in the summer. The PEP program provides for \$1.5 million for temporary employment in the summer. Each of them provided for payment of up to 50 per cent of the students or other person's employment to a maximum of \$150 per person. So far as I can see there is no real difference between the STEP program and the PEP program, the dollars allocated are the same, the amount payable to each individual is the same, but the Minister of Labour (Mr. Snyder) has told us that it is a bigger and better program. I wonder how you can get bigger and better without getting bigger and better. I would appreciate, if some day, the Minister would tell me that.

The one difficulty, of course, in our home is that I say that I am not getting bigger and better despite the fact that I am putting on weight. I thought that if the Minister of

Labour could tell me how you could get bigger and better without putting on weight, I should be able to use the argument in reverse at home.

In resource development it is quite obvious that they intend, very severely, to tap and alter the structure of development. They have said, and it is rather interesting, that they are going to revise the rates to make them more equitable i.e., pay more tax. That reminds me of a comment made by the Government some time ago when they announced the Succession Duty.

Mr. Speaker, when they announced the Succession Duty they said as follows:

Succession Duty to help small businessmen and farmers.

Now it takes a lot of courage to suggest that you are going to help somebody by imposing a tax on them. I can see how we are going to improve everybody by making them equitably pay more money. I am sure they will appreciate this alteration in equity.

The one thing that the Minister of the Indian & Métis Department (Mr. Bowerman) did when he talked about mineral resources – and that is not unusual in this House because yesterday we had the Minister of agricultural (Mr. Messer) talking in this House about pulp mills when he introduced the Margarine Bill – what he was talking about was the amount of production of our potash. Our position is very clear, Mr. Speaker.

Potash, once you have mined it and once you have sold it, is gone forever. It cannot be brought back. The products of our forests are a repeating and regenerating resource. It has been said by Members across the way that we are raping our forests. As it has been said by the Leader of the Opposition (Mr. Steuart), he has never raped a tree yet. But I will say this, that if it did happen, it could regenerate itself. Its virginity could be restored. But such is not the case with mines.

This Government has, as I see it in the Budget, made it clear that they do not intend to get more money out of renewable resources, but they intend to get their money out of resources which cannot be renewed, and once sold are sold and gone forever. That, and the Federal Government.

Let me close by a few remarks on taxation. This is where the Speech is already out of date. Yes, in December the announcement was made. On the 29th of December an announcement was made that all these provinces were going to put together what amounted to a coincidental type of bill and a co-operative type of bill.

Yesterday I read in the Globe and Mail a tremendous alteration in the taxation structure of the four Atlantic provinces and I shall read just briefly:

The four Atlantic provinces have agreed to increase the exemption on Succession Duties paid by spouses to \$500,000.

That is, the provinces of Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island. These four provinces have now backed out of the deal. This was announced yesterday and I

suspect that it will make a substantial change in the format and the relationship with the Federal Government because, as I understand it, the Federal Government would collect the taxes for the provinces if enough provinces want into a similar scheme. Four of them are out!

I call on the Provincial Government to make a change in their structure, because basically Estate and Succession Duties are taxes on women and children. I don't much care, I suppose after I have gone how much money goes to the Federal Government — but my wife cares. At the moment none will go to the Federal Government. The wife and children will then care how much goes to the Provincial Government. It is basically a tax on women and children.

One of the big problems is the problem of passage of farmlands from fathers to sons. Let's suppose that you have a father with two, three or four sons. A \$150,000 exemption to them is meaningless. I call upon this Government to increase its exemptions, not to leave them at the \$150,000 level that they are now, not to leave them at the \$200,000 level promised in their election platform, but to go to a half a million dollars such as is the case in the four Atlantic Provinces.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Well, it says \$500,000 in this paper.

Now the one thing that I noticed in the Budget is that the Premier criticized the last government for not spending money. I find it very difficult to hear a man criticize a government for not spending money when, in fact, they balanced the Budget and particularly when the Budget was made in the Legislature for the year commencing April 1st of last year, and which isn't over yet, with less than three weeks to go. They criticized the former Government for not spending all sorts of money provided for in the Budget, which they were authorized to spend. Well, of course, they should spend it because they became the Government.

It does seem to me, Mr. Speaker, that what has happened in this Budget is that the Premier and the Government have demonstrated that they do not intend to take an active part in the real development of our province. They do not intend to provide the hum of business activity, the hum of industry, that will provide jobs. They are prepared to spend, but they are not prepared to go about the things that will bring real business into the province without destroying non-renewal natural resources. As I have said, \$50 million increased dollars from the Federal Government represents almost the entire increase in the Budget. I therefore label this a 'poor cousin' Budget, and with that, suggest to you that I will continue this on Monday and beg leave to adjourn the debate.

Some Hon. Members: — Hear, hear!

Debate adjourned.

The Assembly adjourned at 4:40 o'clock p.m.