

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Seventeenth Legislature**  
**12th Day**

**Friday, February 9, 1973.**

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

**WELCOME TO STUDENTS**

**Hon. W.E. Smishek** (Minister of Public Health): — Mr. Speaker, I should like to introduce to you and through you a class from Glen Elm School located in Regina North East constituency. They are accompanied by their teacher John Harvey. I extend to them a very warm welcome for this afternoon sitting. Since this is a very important and exciting day in the Legislature, I do hope that the students will be able to get the meaning of the Budget that is going to be presented. I do believe that they will have an educational and a pleasant experience.

**Hon. Members:** — Hear, hear!

**QUESTIONS**

**TEACHER-TRUSTEE NEGOTIATIONS**

**Mr. C.P. MacDonald** (Milestone): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Education (Mr. MacMurchy). In view of the almost inevitable confrontation that seems to be heading between teachers and trustees in the Province of Saskatchewan with only the students who are going to suffer. In view of the Minister's complete failure to arrive at any kind of an acceptable solution between either of the two confronting parties, is the Minister willing to defer any legislation until such time as teachers and trustees can sit down by themselves without government interference and come up with the kind of legislation that will be acceptable to both sides?

**Hon. G. MacMurchy** (Minister of Education): — Mr. Speaker, in reply to the question from the Member from Milestone (Mr. MacDonald) may I say that we are committed in the Speech from the Throne to bring forward legislation on Teacher Contract Bargaining in this Session. I, as Minister, intend to fulfil that commitment. There will be opportunities for teachers and trustees, in fact, to sit down together. As I indicated earlier in the week, a meeting is planned with teachers and trustees for next Monday, a week from Monday. We have moved that ahead to a week from today. We intend that meeting to take as long as is necessary. If Friday isn't enough, Saturday then. If it requires a further meeting or meetings, we are prepared to do that as well.

**Mr. MacDonald:** — A supplementary question, Mr. Speaker. Is the Minister telling the House and the people of Saskatchewan that if he cannot come to an acceptable agreement that he is willing to precipitate the confrontation that will damage the educational opportunities in Saskatchewan whether or not this agreement makes

sense or not?

**Mr. MacMurchy:** — Mr. Speaker, I am making every effort, this Government is making every effort to seek a solution, to seek an acceptable approach to this issue. Certainly words and comments by the Member opposite are not going to help.

### **MOTION FOR COMMITTEE OF FINANCE**

**Mr. Speaker:** — The Lieutenant-Governor transmits estimates of certain sums required for the service of the Province for the 12 months ending March 31, 1974, the Supplementary Estimates of certain sums required for the service of the Province for the 12 months ending March 31, 1973, and recommends the same to the Legislative Assembly.

**Hon. E.L. Cowley** (Minister of Finance): — Mr. Speaker, I move seconded by the Premier:

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

Motion agreed to.

### **BUDGET DEBATE**

**Hon. E.L. Cowley** (Minister of Finance): — Mr. Speaker, it is my privilege to present to you and to Members of this House, the second Budget of this New Democratic Government and my first Budget as Minister of Finance.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — I might say that one of the more difficult aspects of preparing the Budget was a tradition that was established a long time ago in this Legislature of wearing a special tie. The preparation of the Estimates, the writing of the Speech and the printing of the Speech, were nothing compared to this task. And as with all difficult tasks, I turned it over to my wife. I am pleased to say that she, with the capable assistance of the Department of Industry and Commerce, was able to come up with a solution. I should like to say thanks to both the Department and to Delores for making that effort and getting me here today with a tie.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, during the election campaign of 1971, the New Democratic Party presented to the people of Saskatchewan a positive program to make the government of this province more responsive to the needs of the people.

The Budget which was presented in this House one year ago included a number of major steps to implement that program. Every segment of the population — our sick and our senior citizens, our working people, our students and our young people, our farmers and our small businessmen received direct benefit

from that Budget.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — But we realized, Mr. Speaker, that our program could not be totally implemented in one year. After all, one can hardly expect to reverse within twelve short months the effects of seven lean years of Liberal mismanagement.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — In presenting the Budget one year ago, Premier Blakeney stated:

This Budget does not cover our full four-year program — naturally enough. If it did so, it would suggest that we would be after one year a stand-pat government and this we will not be.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, the Budget that I am introducing today represents the second chapter in the continuing story of fulfilment by this Government of our pledges to the electorate.

It should be viewed in the context of our platform of 1971 and our record of accomplishment in 1972.

It is a responsible Budget, resting firmly on the foundations that were laid during our first year in office. It is a Budget that is consistent with the principles which we enunciated in the 1971 campaign and on the basis of which we were elected with a large majority as the Government of this Province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, before commencing a detailed review of the province's current fiscal position and our expenditure proposals for the coming year, I should like to mention that Estimates of Revenues and Expenditures are for the first time presented on a gross basis in 1973-74.

To enable all the Members of the Assembly, the public and the Press to become familiar with the new format, we announced several weeks ago that we would be converting to gross budgeting. A second major change which we announced at that time was the adoption of long-term fiscal accounting. Under the new concept, deficits or surpluses will be reported and charged to net assets over a period which coincides with an extended economic cycle.

Mr. Speaker, I should like to comment briefly on the 1971-72 fiscal year and changes which have occurred in the current budget year.

The 1971,72 Public Accounts, which will be reviewed at this Session, show expenditures of \$461.2 million and revenues of over \$471.2 million, producing a \$10 million surplus for the

1971-72 fiscal period.

Total revenues exceeded the estimated level by \$20 million while expenditures exceeded the original estimates by more than \$10 million.

A number of factors contributed to the increase in revenues. Transfer payments from the Federal Government in the form of equalization payments were \$36.7 million above the estimated amount. The acceleration in collection of the Education and Health Tax plus significantly increased retail trade in the last half of the year, produced revenues \$7.3 million above the estimate.

On the other hand, personal and corporate income tax receipts were below the estimate by a combined amount of \$22 million due to downward adjustments on account of overpayments in previous years.

The 1971-72 expenditures of \$461.2 million increased over the previous year by \$56.5 million. Total expenditures included \$62.6 million in capital and almost \$400 million in ordinary expenditures. Health, Education and Welfare were the program areas which received much of this increase in accordance with policies announced by our Government before it took office. Treasury also experienced an over expenditure of some \$8.1 million, part of which was due to payments made to Parsons and Whittemore Incorporated in terminating the Athabasca Pulp Mill project.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — A year ago this Government brought forward a Budget calling for expenditures of \$513.2 million. It was aimed at problems which existed in the Human Resources, Education and Social Services areas.

Since that Budget was approved, some additional expenditure proposals have been introduced and will come up for approval as supplementary estimates during this Session. It appears that expenditures will rise to \$518 million.

The major additions to the 1972-73 budgetary proposals which you will be asked to approve in the supplementary estimates include:

- a grant by the Department of Agriculture of \$420,000 to be used for construction of a facility in Regina to house the Western Agribition;
- \$1.3 million which was added to the original allocation for the Provincial Employment Program to meet the expanded needs of student employment;
- almost \$500,000 which was remitted by the Department of Finance under the Education and Health Tax Act to farmers constructing grain storage facilities;
- \$1.86 million which was added to the funds originally provided for grants to special care homes;
- expenditure increases by the Department of Northern

Saskatchewan for the people of the North.

Budgetary revenues in the current year are expected to reach \$519 million compared to the estimate of \$513 million. Most of the consumption taxes will exceed the estimates as will receipts under the Tax Collection Agreements and the Federal-Provincial Fiscal Arrangements Act.

In addition to these revenues, we propose to transfer suspense account funds, which had been set aside for the Saskatchewan Base Hospital and the University Hospital at Saskatoon, back into the Consolidated Fund. \$6.5 million rests in these accounts. Thus, our total budgetary revenues in 1972-73 will reach \$525.5 million, leaving us with an estimated cumulative cash carry-forward of \$7.5 million.

During the calendar year 1972, the Province borrowed \$45.6 million, an increase of \$1.9 million over the previous year.

Once again we took advantage of favorable interest rates by issuing debentures totalling \$42.8 million to the Canada Pension Plan. All of this debt was self-liquidating with funds being advanced to the Saskatchewan Power Corporation and Saskatchewan Telecommunications.

An additional \$2.8 million was borrowed from the Federal Government under the terms of the Federal-Provincial Employment Loans Program. These funds were advanced to municipalities for winter works projects.

Hon. Members may be interested to know that early in 1973 the province went to the Canadian market, and borrowed \$30 million to meet the capital requirements of the Saskatchewan Power Corporation and Saskatchewan Telecommunications.

Mr. Speaker, the manner in which this issue was taken up by investors and the rate at which we were able to acquire the money are positive indications of the confidence which the financial community has in this Government.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — As a matter of fact, the cost of this money was approximately the same as that at which Ontario Hydro was able to borrow.

The total amount of debt redeemed during 1972 amounted to \$72.5 million, of which the cancellation of Saskatchewan debentures held in sinking funds accounted for some 87 per cent.

Sinking fund contributions in 1972 amounted to \$23.7 million, bringing the total assets held in sinking funds available for debt retirement to \$132.2 million as at December 31, 1972.

I should like to take a moment to review the national economic conditions which prevailed in 1972, and the circumstances which will likely exist in 1973.

In general the national economy in 1972 grew at a rate comparable to that of 1971. The dollar value of economic activity expanded at a rate of approximately 10 per cent in 1972. However, general price increases accounted for almost half of that increase. As a result, the real growth increased

by only five per cent in the past year.

Much of the expansion in economic activity during 1972 was due to continued growth of consumer expenditures on goods and services. However, a disappointing feature of 1972 was the fact that private and public investments were only about 10 per cent higher than those of 1971. Consequently, the national economy did not experience a major expansion in productive activity.

The optimism suggested by national economic indicators is deceptive. The development of long-term employment opportunities was not comparable to the rate at which the economy grew in monetary terms. The creation of new jobs did not keep pace with increases in the labor force. As a result, unemployment in 1972 was again a staggering 6.4 per cent. What is more disturbing is the fact that many parts of the country will again suffer from extremely heavy unemployment in the winter months and unacceptably high levels during the remainder of 1973.

Early in 1972 our Government recognized this possibility. We took early action by announcing our winter employment program and we pressed the Federal Government to implement a national employment program. Once again, the Federal Government was late in announcing its employment program.

In fact, Mr. Speaker, that program was announced only after it was obvious to everyone that the national economy was not producing the number of jobs required to employ all those persons who were seeking work.

It is clear that many of the unfavorable features of 1972 will recur in 1973. The twin problems of unemployment and inflation will continue to plague the nation.

The major responsibility for these chronic problems rests with the Federal Government, since it has the fiscal and monetary capacity to alter this situation in a significant way.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The lack of a sincere effort on the part of the Federal Government to tackle the unemployment-inflation problem has important implications for Western Canada. The proposed Federal tax incentive for industrial expansion, if implemented, will undoubtedly benefit the industrialized areas of Canada more than the less developed regions. In short, Mr. Speaker, it is perpetuation of those national economic policies which have restricted the ability of the western region to expand its economic base.

The Federal Government's proposed amendments to corporate taxation are but another example of its lack of understanding of, and concern for, the unique developmental problems of Western Canada.

The broad brush approach to fiscal and economic development policy followed by successive Federal governments has tended to ignore the basic problems which have hindered the advancement of the Prairie Provinces.

Mr. Speaker, we are prepared to co-operate with the Federal

Government in developing policies and programs to remove the real and artificial barriers which have restricted the development of an industrial base in Saskatchewan.

Mr. Speaker, I should like to turn to the Saskatchewan economy. The Saskatchewan economy experienced a significant improvement in 1972 as it continued to recover from its earlier downturn. There are strong indications that the present trend will continue into 1973. A rise in personal income to \$2,665 million in 1972 should provide the basis for increased expenditures on consumer goods and services in 1973.

The agricultural sector continued to dominate the performance of the provincial economy. Realized net farm income increased from \$356 million in 1971 to \$616 million in 1972 — a rise of 73 per cent. Agriculture is expected to maintain its favorable performance in 1973 in view of existing grain marketing commitments and anticipated higher prices for livestock and most grains.

Although the value of Saskatchewan mineral production in 1972 remained at about the same level as in 1971, more buoyant price and market prospects suggest an 8 per cent increase in value for this sector in 1973. Production and sales from all other primary resource industries rose steadily in 1972.

The Province's manufacturing sector continued to grow at a steady pace in 1972. The construction industry also experienced considerable activity in 1972 as evidenced by an increase of more than 25 per cent in the number of housing starts and completions and a 50 per cent increase in the number of units under construction at year end.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Retail sales continue to respond to favorable levels of farm cash receipts and other components of personal income. Total sales reached \$1,275 million in 1972, a 14 per cent increase over 1971.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — A further rise in retail sales is predicted for 1973. Mr. Speaker, as long as the economic destiny of this province depends heavily on the primary resources sector, there can be no assurance that our economy will be able to generate sufficient economic activity and jobs to fully employ our labor force.

Furthermore, the decimation of our rural communities and the decline in provincial population are problems that cannot be ignored.

At present there is insufficient employment in rural areas to fully employ young persons entering the labor market for the first time. Consequently, there is a continuing drift of people from rural areas to urban centres in search of employment.

The majority of people who left the Province or migrated from rural to urban areas are the young, more productive members of our population. It is on this group that ultimately the

burden for shouldering the responsibility for social services and providing the basis for future economic development will fall.

If the average population age continues to increase, the imbalance between dependent and productive groups will continue to grow, thereby reducing the ability of the province to provide an adequate level of services.

If past trends were to continue unchecked, the economic and social mosaic of Saskatchewan would leave much to be desired at the turn of the century — a province of a few hundred thousand people, engaged in the production and export of raw materials from its rich resource base.

While improvements have occurred in the past 18 months, further positive action is required by governments to stem and reverse this trend.

Mr. Speaker, these problems are not new to Saskatchewan, nor are we the first to recognize that the problems exist. It is one thing to recognize the existence of a problem. It is another to take forceful action to solve that problem.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, this Budget introduces new programs to solve those problems in Saskatchewan. It provides positive steps to stimulate economic development in the Province and to revitalize our rural areas.

It will take direct measures to conserve our most valuable resource — the young people of this province. But we must not expect that the present trend will be reversed or the current situation stabilized overnight. The solutions to these problems are not to be found in anyone program nor can they be achieved through the initiative of one level of government. They require concerted action by all levels of government over an extended period of time.

Mr. Speaker, I have already alluded to the problems which have plagued Saskatchewan for the past few years. The remedy for these problems lies not in treating the symptoms but rather in attacking the underlying causes.

Economic stability in Saskatchewan can be achieved only through the development of a stable and diversified agricultural industry, the development of our primary resources and the creation of secondary industry.

Mr. Speaker, in this Budget we will present a new approach to achieve economic stability in this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — One component of this approach will be a combination of agricultural programs designed to arrest the rural-urban shift by making it possible for the small farmer to continue to operate.

**Some Hon. Members:** — Hear, hear!



**Mr. Cowley:** — Another component is the direct involvement of the Government in the development of our primary resources for the benefit of the people of Saskatchewan.

A third component is the development, through a more effective Department of Industry and Commerce, of secondary industry in this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, a major part of this Government's focus on economic development is contained in the new package of programs to be initiated by the Department of Agriculture. One of the problems confronting the agricultural industry today is the scarcity of young farmers and the resulting decline in farm population. The capital investment required to establish an adequate land base has for many years been a deterrent to young farmers seeking to establish themselves in a farming operation.

To alleviate this problem, Mr. Speaker, in 1972-73 we implemented the Land Bank program not only . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — . . . to assist young farmers in acquiring land, but also to provide the older farmer with an opportunity to retire in dignity at a time of his own choosing.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The success of this program is readily apparent — in the current year the Saskatchewan Land Bank Commission has accepted 350 offers for land sales representing a total of over \$10 million.

Mr. Speaker, I am pleased to announce that in 1973-74 we will provide \$20 million to be advanced for land purchases.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — While the Land Bank program assists young farmers in acquiring land, there remains the problem of low returns and low equities which limits their ability to repay loans and their access to credit. To improve the rates of return, we recently announced a reduction in rents payable under the Land Bank program.

Rents were reduced to 5 per cent of the land value thereby providing lessees with an opportunity to establish viable economic entities.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — If we are to stabilize the agricultural sector of our economy, diversification into livestock must occur. In the long run, this course of action will pay dividends both to individual farmers and to the entire province.

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One constraint in expanding the livestock industry is the present credit system which imposes short repayment periods, high interest rates and high security requirements. In 1973-74 we will introduce a comprehensive agricultural development program. It will provide \$2 million in grants to assist in the development of viable farm units.

Under this program farmers who wish to stabilize their farming operations through expansion into livestock production will be eligible for grants ranging from \$200 to \$8,000 depending upon their needs and the potential for such expansion.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, the program will provide both the equity and the incentive for young farmers to engage in livestock production. In addition to the provision of grants, we are instituting a loan program. Unlike the present Federal programs and the services offered by financial institutions, these loans will be tailored to the needs of young farmers willing to diversify their farming operations through livestock production.

The maximum loan available to an individual will be \$60,000 with repayment terms, interest rates and security requirements specifically designed to meet the needs of the livestock industry.

Mr. Speaker, we are convinced that such programs are essential to the development of a strong livestock industry in the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — While the current buoyancy of the grain economy will render transition more difficult, the move must be made now if we are to achieve stability in the future. To administer this program we are proposing to establish FarmStart. You will be asked to provide \$15 million to be advanced to FarmStart for lending.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — A number of additional programs are proposed to provide assistance to the livestock industry. We will assist in the development of farm water supplies to meet the needs of the increasing livestock population. \$680,000 is provided in the Estimates for this purpose. This includes \$200,000 for jumbo dugouts and \$150,000 for drill tests in addition to the \$330,000 provided for in the current program.

Veterinary services to control disease and loss of animals will be improved and increased by the addition of veterinary staff. \$107,000 will be provided to the Veterinary Diagnostic Service at Western College of Veterinary Medicine in Saskatoon to meet the needs of the northern part of the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — \$720,000 will also be provided to improve the grazing

capacity of leased provincial lands to accommodate additional livestock.

The increased emphasis on livestock production has necessitated a change in focus within the Department of Agriculture. Specialist services will be provided to assist farmers in the management of livestock herds and the development of viable farm units.

Mr. Speaker, this Budget provides for a substantial increase in personnel to meet this need in our agricultural industry.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — One of the weaknesses in previous programs was a lack of communication between the people responsible for developing the programs and the farmers for whom the programs were designed.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We will bridge this gap with field staff who will take the programs to the farmer and aid him in dealing with specific problems. This will be achieved by decentralization of the Department to provide service on a regional basis.

Because livestock is a contributor to pollution, we will provide \$250,000 to assist in the construction of works to control contaminated run-off and manure. We will also assist farmers to relocate facilities to reduce the dangers of pollution.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We propose to establish an Agricultural Implements Board which will represent farmers, dealers, manufacturers and the Government. It will review complaints concerning agricultural implements and, where a farmer suffers loss due to unreasonable delays in obtaining parts or because the manufacturer has failed to fulfil his warranty obligations, he will have recourse for damages and compensation.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The expenditure for the Agricultural Implements Board will be \$34,000 in 1973-74.

Mr. Speaker, many farmers located within the South Saskatchewan River Irrigation District have invested substantially in land development but have not experienced the rates of return which were expected.

The previous administration placed heavy emphasis on construction of canals and works. This resulted in heavy construction costs but did not improve the position of the farmer. Our Government has decided to place its emphasis on finding solutions to the problems which confront farmers on the east side before we ask more farmers in the area to risk their economic futures on what has proven to date to be an unknown

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venture. To this end, we are assisting in the construction of a co-operative alfalfa cubing plant to meet the rapidly expanding market for this product.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — In addition, a field testing program will be undertaken to test additional crops that may be grown under these conditions.

Mr. Speaker, the combined ordinary and capital budget for the Department of Agriculture will amount to \$21 million, an increase of 11 per cent over 1972-73.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, we are continuing our efforts to improve the crop insurance program. In 1973-74 we will include two additional crops — fall rye and sunflowers. We will provide a quality guarantee in addition to the present quantity guarantee. We have also provided for improved methods of selling and servicing insurance contracts.

These changes will make the program more attractive and more accessible to the farmers of this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, having dealt with our most important primary industry, I turn now to a consideration of our other natural resources.

We are all aware that Saskatchewan has been richly blessed with an abundance of natural resources. The previous administration knew this, but what did they do about it?

Mr. Speaker, they indulged in a massive give-away program unparalleled in the history of this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — And who were the beneficiaries of this display of generosity, Mr. Speaker? Not the young people of Saskatchewan, who represent the future of our province. Not the senior citizens who pioneered this province. No, Mr. Speaker, the beneficiaries of this massive give-away were the friends of the party opposite — the corporate giants of Eastern Canada and the United States.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, in 1971 we pledged to develop our natural resources — to renew our renewable resources and to conserve our non-renewable resources.

Mr. Speaker, let me outline the approach of this Government to the development and use of non-renewable resources.

**Some Hon. Members:** — Hear, hear!

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, in planning the utilization of these resources, the Government has but one chance. If we give away our oil and gas, if we give away our metallic and non-metallic minerals, Mr. Speaker, there is no tomorrow — they are gone forever. Therefore, at this Session we will ask the Legislature to establish a Crown corporation to carry out exploration for petroleum and natural gas.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This is an essential step if the people of this province are to derive greater benefits from the use and development of this valuable resource.

Mr. Speaker, in the coming fiscal year the Government intends to embark on a program of mineral investigation and evaluation designed to accelerate the development of our mineral resources in the North.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We have provided \$500,000 for this purpose, in addition to the current geological science program that was accelerated last year. This increased expenditure will facilitate the economic development of Northern Saskatchewan and provide employment for residents of the North. Also in 1973 we will continue the coal reserve investigation program initiated last year.

Mr. Speaker, we have stated that this Government intends to use our forest resources for the benefit of the people of Saskatchewan and in a manner which creates maximum employment for the people of the North.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We recognize that reforestation must not be neglected. Over the next five years we will triple our reforestation program, increasing production of seedlings from 2.5 million to 7.5 million annually. This is necessary to renew our forests.

We also intend to start a forest management extension program to make the public more aware of the value of our forests and the methods of conservation.

This past fall we announced that we would undertake a number of environmental impact studies — to determine the effect of a hydro-electric development on the Churchill River. These studies will be carried out through the Department of the Environment at a cost of \$1.2 million.

We will also implement some of the recommendations arising from the Qu'Appelle Basin Study and evaluate other recommendations.

**Some Hon. Members:** — Hear, hear!

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**Mr. Cowley:** — Mr. Speaker, in this Budget a new emphasis will be placed upon programs designed to increase economic activity in the province.

We believe that the economic future of this province cannot depend entirely on the king-size, capital intensive industry which the previous administration concentrated on, with little success, I might add.

The Department of Industry and Commerce will be strengthened to search out new approaches to spur the development of secondary industry in the province.

We will undertake a systematic examination of manufacturing opportunities in the province to identify the kinds of goods that can be produced here.

We will step up our efforts to establish markets for Saskatchewan products.

Mr. Speaker, I should like to elaborate on some of these new programs designed to broaden the economic base of this province.

In this Budget we are providing funds within the Department of Industry and Commerce for a Research and Development Branch whose primary task will be to identify the commercial value of our primary products, to determine the extent to which they can be processed or manufactured here in Saskatchewan and to identify new opportunities in the area of manufacturing and processing. The services provided by the Saskatchewan Research Council will be utilized wherever possible.

In 1973-74 the Government plans to establish a trade office in Tokyo to develop opportunities for Saskatchewan products to penetrate the vast Pacific Rim market.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Saskatchewan House in London will perform an active role in promoting Saskatchewan products in the European Common Market. We have found by rather sad experience that we cannot sit back and wait for the Federal Department of Industry, Trade and Commerce to promote Saskatchewan interests. We must assume an active role if we are to obtain results.

Internally, the Government will introduce a "Buy Saskatchewan" campaign designed to acquaint Saskatchewan residents with the wide range of products already processed here.

The total trade development program will cost \$465,000 in the 1973-74 fiscal year, more than twice the previous effort.

The briefs which have been presented to the Special Committee on Business identify several basic improvements which are required to enable the businessman of this province to develop and expand his operation.

One of the most frequent requests is for management advice and consultative services.

Although the Committee has not yet presented its report, we believe that immediate action is required to assist the businessmen of this province.

You will be asked for funds to provide for program additions to the Business Assistance Branch. A field organization will be established to provide consultative services on a regional basis.

These field representatives will provide the necessary link between the Department and the business community, establishing for the first time communication on a two-way basis.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We recognize that there is widespread confusion concerning the kinds of assistance that are available to individual businesses from the two senior levels of government. Many good ideas die on the drawing board because the innovator lacks the resources or expertise to gauge potential markets.

Mr. Speaker, the programs provided through the Department of Industry and Commerce will remedy this situation.

Funds will be provided in this Budget to assist in financing studies to expand and cultivate markets, to promote product diversification and to solve other business and management problems.

This program will provide Saskatchewan businessmen with the kinds of assistance that are presently available only to the large corporations.

Mr. Speaker, I turn to tourism, which is an important component in the economic activity of this province. The Canadian Travel Survey of 1971 estimated that tourism in Saskatchewan accounted for expenditures of more than \$178 million.

We plan to accelerate development of the tourist industry:

- through the construction of three tourist reception centres;
- through the expansion of tourist counselling and marketing efforts; and
- through the provision of capital grants to encourage municipalities and other local organizations to construct tourist facilities. The estimates contain a provision of \$100,000 for this purpose.

Mr. Speaker, the new and expanded programs of the Department of Industry and Commerce will work only if the necessary resources are made available to the Department. The previous administration talked a great deal about industrial development but continually denied to the Department the personnel required to bring about that industrial development.

In this Budget we will provide funds for a substantial increase in staff for the Department of Industry and Commerce to undertake the necessary research to develop our opportunities for trade and to provide consultative and management services to

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the Saskatchewan businessman.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, I turn now to consider our proposals in the area of transportation and communication.

We hope to improve the quality of life in small urban centres by making these centres more attractive places to live.

In 1973-74 we will spend over a million dollars on Operation Open Roads and a further \$750,000 on Operation Main Street.

We will share with smaller centres the cost of improving side streets. It is expected that this program will cost a total of \$9.8 million with \$1.2 million to be spent in 1973-74.

For the 1973-74 fiscal year, this represents a total of over \$3 million to be used for the improvement of streets and access roads to serve our smaller centres.

Mr. Speaker, this does not mean that our main roadways will be neglected. Emphasis will be placed on those highways serving sub-regional needs. Some roads which are presently oil-treated will receive bituminous surfacing, thereby providing a higher standard of service.

To facilitate economic development in the northern part of the province, a micro-wave network will be established to serve the major communities. Sask Tel will spend a total of \$7.15 million on this development with \$3.7 million being spent in 1973-74.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This network will provide a means of communication for persons working in the North as well as providing our northern residents with a long distance telephone facility comparable to the service that is taken for granted in the southern part of the province.

Mr. Speaker, the emphasis which we have given in this Budget in attacking the problems of agricultural diversification and economic opportunity does not mean that we are abandoning the traditional role of Saskatchewan and the New Democratic Party as leaders in the field of services to people.

Rather, it is an acknowledgement of the fact that the services that the people of this province have come to accept as an inherent right can only be supported by a vigorous, stable economy.

We are proud, and justifiably so I believe, of our records in the areas of Education, Health and Social Services.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — I turn now to a review of our accomplishments in the past 18 months and our proposals for the these fields in coming year.



Last year we indicated that the educational needs of the province are changing. The people of Saskatchewan no longer view education as a process that begins with the first day of school and ends when one leaves a formal learning institution.

Rather, education is considered to be a life-long process. In the current year we established the Department of Continuing Education to co-ordinate and broaden the educational opportunities for persons who have left the formal school system.

In 1973-74, the expenditures on Continuing Education, including the University, will be nearly \$65 million.

Enrolments at the University appear to have stabilized but the provincial operating grant for existing programs continues to increase dramatically. In 1973-74, the operating grant to the University will be \$38.5 million, an increase over the current year of nearly \$3 million. This includes \$500,000 for teaching positions at the South Saskatchewan Base Hospital. The increase in the operating grant on a comparable basis, is \$2.4 million, or almost 7 per cent.

Mr. Speaker, it is our belief that those persons who benefit directly from the services which the University and post-secondary institutions offer ought to bear some of the financial responsibility for these services, in direct relationship to their ability to pay.

However, we believe that attendance at these institutions is a right not only for those who have adequate financial resources. In 1971 we introduced the Saskatchewan Student Bursary program to assist University students and students enrolled in a two-year technology program at the institutes.

There will be a moderate upward adjustment in fees at the Institutes.

On the basis of estimates supplied to us by the University, there are indications that the Board of Governors may increase tuition fees in order to offer the level of program which they propose for the coming year.

Mr. Speaker, I am pleased to announce that this year we will increase the non-repayable student financial assistance under the Student Bursary program by almost 50 per cent.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — An additional \$425,000 will be provided to bring the total expenditure to more than \$1.3 million. The increased benefits under this program will offset any potential increased tuition costs for those students who require financial assistance.

Because of stabilizing university enrolments and declining school enrolments, we have asked the University to make an inventory of existing facilities and to develop a long-term plan for capital development.

The results of the study will not be available until 1973 or early 1974, therefore, no funds have been provided for new buildings in the 1973-74 Capital Grant to the University.

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The Capital Grant, totalling \$5.5 million provides for debt retirement, for completion of capital projects that are currently underway and for renovations to existing buildings.

Nursing programs are presently being transferred to the recently completed Saskatchewan Institute of Applied Arts and Sciences in Regina. Enrolment in these programs in the current year totalled 425, but with the commencement of the second year of the program this fall, we expect total enrolment to increase to 830.

Last fall the Institute offered a two-year dental technology program — the first of its kind in North America — with enrolment limited to 35 students. This program will provide trained personnel for a child dental program which we plan to introduce in the fall of 1974. Enrolment this year will increase to 60 in the first year of the program.

The Regional Vocational Centre at Meadow Lake will commence operations late in the summer of 1973, offering courses in the commercial and trades areas for up to 200 students.

Mr. Speaker, the development of community colleges is an integral part of the concept of continuing education.

Saskatchewan is still basically a rural province. To copy the organization and program of provinces with a large urban population would be absolute folly. Throughout Canada the needs of rural areas and small communities have been given less attention than those in cities.

We believe that community colleges can alleviate this situation. Our efforts will be directed toward the development of a unique community college system which will distribute educational opportunities throughout the province and which will serve the needs of rural Saskatchewan.

Under this Government, a major responsibility of community colleges will be to promote informal and formal adult learning in the community. Emphasis will be on programs to meet the needs of local communities rather than on programs which are established or imposed from above.

Community colleges are not intended to duplicate services or facilities which are already present, but rather to co-ordinate the delivery of all adult educational facilities in the community.

Mr. Speaker, to assist in determining the requirements for community colleges throughout the province, we initiated pilot projects last year at LaRonge, Humboldt Yorkton-Melville and Swift Current.

The 1973-74 Budget includes funds for further development of these pilot projects.

Turning now to the traditional school system, Mr. Speaker, I should point out first that the figures shown in the Estimates for 1973-74 are not entirely comparable to the amounts in 1972-73.

Grants to Schools-Operating in 1973-74 will be \$100.9 million compared to \$90.1 million in 1972-73, an increase of \$10.8 million.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, as all operating grants are no longer being provided through the Department of Education, some of these grants are now being provided through the Department of Continuing Education and the Department of Northern Saskatchewan.

Mr. Speaker, I am pleased to announce that operating grants to local school boards will be increased by \$10.2 million in 1973-74 to almost \$96.2 million.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This increase will be sufficient to offset the increase in recognized school expenditures at the local school board level thereby enabling boards to finance 1973 expenditures with no increase in property taxes.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Capital grants for school construction will be nearly \$5 million. School construction will be concentrated primarily on the replacement of outdated facilities and the construction of special purpose areas.

In 1972, we started six kindergarten pilot projects to assess alternative approaches, not just for the cities but the entire province. We believe that the program must be responsive to the needs of rural Saskatchewan and be adaptable to a variety of situations. Funds have been provided in this Budget to continue with these pilot projects.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, the Palliser Regional Library will be established in the coming year at a cost of \$133,000.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This will complete the regional library system in this province. Grants to municipal libraries and establishment and operating grants to regional libraries will be increased by \$115,000 in this year.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, our Government is dedicated to an improvement in the quality of health programs in response to changing health care needs. The previous administration abdicated this responsibility on the grounds that the province could not afford to continue its role as a leader in the provision of health services. We recognize that there has been a marked increase in the cost of these services, but we reject the idea that the solution to the problem lies in cutting back on essential services. We believe that the responsible approach is to identify programs which are ineffective and make the required changes.

In many instances in-patient hospitals are not the most effective vehicles to provide health care services. In the current year we provided funds for the establishment of community health and social service centres which provide comprehensive health services at less than half the cost of in-patient hospitals.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — In the coming year we will examine the feasibility of establishing additional health and social service centres.

There is an urgent need for extended care for our senior chronically disabled citizens. This year we will provide 57 Level IV beds in North Battleford and we will increase the number of such beds in other locations.

Mr. Speaker, as has already been announced, and is included in this Budget, we will initiate a hearing aid program to provide hearing aids at reduced costs this coming year.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — In the fulfilment of our election platform, chiropractic services are now included under Medicare.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — I have already referred to the dental technology program that has been initiated at the Technical Institute in Regina. This year we will assume financial responsibility for the dental care project which has been operating on a pilot basis in the schools in the Oxbow-Carnduff region under a Federal grant.

Mr. Speaker, for many years Saskatchewan provided leadership in the development of mental health programs. We believe that those of us who enjoy good health have a responsibility toward those who are emotionally disturbed, to those who are mentally retarded and to those persons who suffer from a variety of mental illnesses.

In this Budget we will provide funds for 11 new professional psychiatric workers to substantially upgrade the services to emotionally disturbed children and adolescents.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We will increase the grant to Mental Health Saskatchewan by 40 per cent to \$35,000 to assist in the operation of White Cross centres at 10 locations in the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We will assume the financial responsibility for the Alvin Buckwold centre in Saskatoon which serves about 400 mentally retarded persons in that community.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The capital budget of the Department of Public Health includes \$2 million for a start on the \$25 million addition to the University Hospital and a comprehensive diagnostic and out-patient treatment centre will be constructed there, second to none in Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — More than \$500,000 is also provided to complete construction of the South Saskatchewan Hospital centre which is scheduled to commence operation in late 1973. It will be used as a training facility for medical students at the University of Saskatchewan and provide more than 300 beds when it becomes fully operational. The total capital cost of the hospital is expected to be more than \$15.8 million.

Mr. Speaker, the Province of Saskatchewan takes second place to no jurisdiction in Canada in the variety and quality of our programs to assist those who are handicapped or disadvantaged.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — In 1973-74 the expenditures for social services programs will increase to approximately \$88 million. There are three components in this increase.

The largest one is that during this current year we transferred the responsibility for programs for the mentally retarded from the Department of Public Health to the Department of Social Services, resulting in a \$12.5 million increase in the budget of the Department of Social Services. This amount includes \$7.3 million for the cost of operating institutions at Moose Jaw and Prince Albert and a further \$5.2 million in income support payments under the Saskatchewan Assistance Plan for residents of these institutions.

The second component is an increase of \$6.2 million in payments under the Saskatchewan Assistance Plan. This increase is due primarily to the rise in the cost of living and the increase in the number of dependent families and elderly citizens requiring assistance.

The third component of the increase is the allocation of \$3 million to provide better care for our senior and chronically disabled citizens through public assistance to residents of special-care homes. The costs of operating these homes have been rising rapidly. Since coming to office we have paid grants to special-care homes to assist them to meet increasing costs. In 1973-74 the assistance will take a different form. The Budget provides subsidies to private paying residents in special-care homes as follows: for Level III patients — \$4.80 a day and for Level II patients \$1.80. This program is aimed at providing financial assistance for those requiring more intensive care in special-care homes.

Mr. Speaker, many of our senior citizens prefer to remain in their own homes and in the communities where they have put down their roots. It is their right to do so and we respect that right. This does not mean that they do not require some services to enable them to live in dignity and comfort. We

believe that these services ought to be made available whether they live at home or in an institution. In this Budget almost \$285,000 has been made available to provide community services to the elderly and the chronically disabled who live in their own homes and communities.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This is in addition to the home repair plan for senior citizens which I will cover more fully when I come to housing.

Mr. Speaker, the public interest demands that assistance in coping with their problems be provided to persons who have broken the law. Putting a person in jail is not always the most effective method of rehabilitating the offender. Indeed, the effects of this may in some cases result in a complete rejection of society and sow the seeds whereby an individual may become a continuing menace to society. Because we believe that in many cases better results can be achieved through the services of a probation officer, we are providing funds for an additional 10 such persons.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, at this Session, legislation will be introduced to establish the Saskatchewan Housing Corporation.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The corporation's program will be directed toward improving living accommodations for the aged and for those in low and middle income brackets. During the current year we broadened the grant structure of The House Building Assistance Act to include families whose annual income was from \$7,000 to \$9,000. Grants ranging from \$300 to \$800 were made available on a sliding scale related to annual income. The extension of the grant was in recognition of the difficulty encountered by individuals at this income level in making the down payment on a new home.

In recent years the supply of subsidized low rental public housing has not kept pace with the needs for such accommodation. The level of 300 units per year was totally inadequate. The resulting shortage in accommodation has been most seriously felt by our senior citizens whose need for public housing is the greatest. We recognize this urgent need and this year we intend to increase the number of public housing units significantly. This will result in an increased investment in public housing in 1973.

The provision of additional public housing and new housing units is not the complete solution to our housing problems. Throughout Saskatchewan, particularly in rural areas, many homes are in need of repair, but the owners lack the financial resources to undertake major renovations. To meet this need, we will provide loans to families whose annual income is limited, part of this amount will be in the form of a forgivable loan spread over a five-year period. The amount of the forgivable portion will be dependent upon the income of the applicant and the cost of the renovations.

Mr. Speaker, for pensioners receiving a guaranteed income supplement, the expenditure of even \$200 or \$300 on repairs to their homes is an undertaking which few can afford. The alternative to living in an uncomfortable or an unsafe house is to obtain accommodation in a publicly sponsored senior citizens residence. To enable these persons to remain in their own homes and to make those homes more comfortable we will provide grants ranging from \$200 to \$500 for the repair of their homes.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The amount of the grant will vary according to the size of their guaranteed income supplement.

Mr. Speaker, in some communities, both the Central Mortgage and Housing Corporation and private lenders have been unwilling to make mortgage loans available for house building. We intend to meet this need by making mortgage funds available through the Housing Corporation. We also hope to take a more creative approach to low income housing needs by implementing a phased housing and co-operative housing program.

Mr. Speaker, time doesn't permit me to mention many other excellent programs that are contained in this Budget. I expect that as others enter this debate they will outline them in more detail. I mention two or three departments, the Department of the Attorney General; the Department of Northern Saskatchewan, where there are many new and exciting programs; the highway program which will be announced by the Minister of Highways and the Department of Culture and Youth. Mr. Speaker, these will be elaborated on in coming debates.

Before reviewing how we propose to finance our expenditures I should like to spend a few moments on our Government's fiscal policy for 1973-74. During 1972 Canada once again experienced unacceptably high levels of unemployment. While Saskatchewan's rate of unemployment was significantly below the national average, it reached a point where we believed that government action was necessary. We took such action. In September we announced a Provincial Winter Works program. We believed that an announcement of our intentions was essential at that time so that local governments might plan projects for the winter months. I am pleased to say that local governments have co-operated and many job creating projects are under way all across the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — We allocated \$5 million to this program and we anticipate it will create 4,200 man-months of employment, if fully taken up by local governments. The Federal program was not announced until December — and as a result it will have a limited impact this winter, a much more limited impact than if it had been announced at the same time as the Saskatchewan program.

Mr. Speaker, we chose this form of economic employment stimulus over tax reductions for two reasons: first while tax reductions may be a sound policy to stimulate employment in Canada as a whole, they do little to stimulate employment in Saskatchewan. A tax reduction would do little to ease the

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unemployment situation in Saskatchewan, indeed the major benefits of a Saskatchewan tax reduction in terms of added employment would accrue to Eastern Canada since a large part of our consumer goods are produced there.

Secondly, winter works projects not only create employment in Saskatchewan, but also add to community facilities in the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Particularly in the smaller communities where the recreational facilities are being constructed or upgraded, public offices renovated and service facilities established. Projects undertaken through the Winter Works Program will be of lasting benefit to the communities and the people of Saskatchewan.

In addition to the Municipal Winter Works Program we accelerated our capital works program by \$3.4 million. The Crown corporations accelerated their capital works programs by over \$4 million to ease unemployment during the winter months.

The increased emphasis which is being placed on housing will provide a significant impetus to job creation in Saskatchewan in 1973.

You will be asked to provide funds to create jobs for our young people this coming summer. \$1 million has been allocated to the Department of Culture and Youth for this purpose and \$1.5 million is provided in this Budget to employ students in government during the summer months.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, we recognize that these measures are essentially short-term solutions to what is a long-term program. The long-term solution to achieving economic stability in Saskatchewan is, as I have pointed out, to be found in diversification of the agricultural industry, the developing and processing of our primary resources and the establishment of secondary industry.

This Budget outlines plans which coupled with the relatively buoyant state of the agricultural sector of our economy are expected to provide more job opportunities for Saskatchewan people that have ever been available in the past.

Mr. Speaker, I should like to make a few comments about the current employment statistics in Saskatchewan. Our average monthly labor force grew by over 2,000 workers in 1972, as compared to an absolute decline of 4,000 in 1971. Mr. Speaker, this simply means that now our youth feel there is some hope for them.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — They are confident they can build a future here for themselves. No longer are they leaving the province in droves . . .

**Some Hon. Members:** — Hear, hear!



**Mr. Cowley:** — . . . the moving van vanishing over the horizon is no longer indelibly etched upon every Saskatchewan child's memory.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, in the non-agricultural sector there were 249,000 workers employed as compared to 230,000 in January last year. Mr. Speaker, this simply means that 19,000 more men and women have jobs in 1973 than in 1972.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, it's evident that many people from the agriculture sector have also registered for work. What is happening is that the Winter Works Program which our Government initiated is having its effect. Some of the under-employment which has always existed in Saskatchewan is coming to the surface because now there is an opportunity for farmers to gain employment.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — And hence they are registering at Manpower Offices so they can work on the local rink or municipal office to augment their farm income. Mr. Speaker, our policies have created more jobs, they have raised hopes and expectations and this Budget is a major step in attempting to meet them.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, let me now turn to the manner by which we propose to finance the budgetary program I have outlined for you today. We believe that reliance on the regressive property tax must be reduced . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — . . . particularly in those circumstances where the services are not closely related to the property itself. The level of property tax cannot be ignored by Federal and Provincial governments. The provincial-municipal tax structure must be viewed as a whole.

During the election campaign we promised to reduce the property tax burden for school purposes to an average of 25 mills. I am pleased to announce that in the coming year our Government will fulfil this commitment to the people of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — School grants will be increased to a level which will stabilize the average school mill rate across the province at about 43 mills. Operating grants to local school boards will be increased by over \$10 million to a total of \$96.2 million. Thus the Provincial Government will be picking up the total

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increase in operating costs related to recognized school program. At this Session you will be asked to amend the Property Improvement Grant program to provide for increased grants to property owners equivalent to an 18 mill tax reduction.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — For farmers the 18 mill reduction is applicable up to \$15,000 of taxable assessment. The maximum grant to a farmer with a taxable assessment of \$15,000 will be \$270, an increase of \$75.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The 18 mills for the businessman will raise the maximum grant to \$180 for his business property.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — That's part of the war to help business.

For the householder the level of eligible assessment will be raised to \$8,000 providing a grant equivalent to 50 per cent of his municipal taxes to a maximum of \$140.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The maximum grant payable to the individual for any combination of the above will be increased to \$270.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — With school mill rates at an average of 43 mills across the province based on an equalized assessment and with an 18 mill Property Improvement Grant, our commitment of 25 mills will be achieved.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — I want to summarize how the increases in school grants and Property Improvement Grants have been used to meet that commitment. In 1973 expenditures by local school boards are expected to reach \$180 million. School grants will provide \$96.2 million or 53 per cent. Property Improvement Grants will provide \$30.5 million to property owners, leaving \$55.2 million or 30 per cent to be financed by the local ratepayers. This is in marked contrast to the situation in 1970-71, the last full year of Liberal administration when out of a total expenditure of \$155 million the local ratepayer picked up nearly 50 per cent of the total cost.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, I will not take the time of the House to

read the tables before me but I should like them recorded.

In December we announced that individual and corporate income taxes would be raised to enable the Government to reduce the burden on property tax. With the announcement of the level of the Property Improvement Grant and school grants the impact of this tax shift becomes more evident. I will give you some examples from the tables.

A farmer with a \$15,000 assessment, a wife and two children, with an annual income of \$8,000 before personal deductions, will experience a net benefit in terms of the Property Improvement Grant over the old Home Owner Grant payment and the increase in the provincial income tax, his net benefit will be \$176.50 a year.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — To the householder, with two children, with local taxes in excess of \$288, with an annual income of \$8,000, the net benefit to this individual is \$50.50 a year.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This tax shift is of major benefit to the majority of Saskatchewan residents, to farmers, to small businessmen, to householders in the low and middle income bracket.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This move, Mr. Speaker, is a significant step in the reform of our tax structure. It's a positive attempt to bring fairness and equity to the provincial tax structure.

Mr. Speaker, I turn now to the revenue structure and our fiscal position for next year. In forecasting revenues for the next fiscal year, we have assumed that economic conditions will continue to improve but at a pace slightly slower than in 1972-73. The lower rate of growth is attributable to a predicted increase in grain sales in 1973 somewhat less dramatic than that which occurred in 1972.

Improvements in retail markets largely in response to the much improved agricultural economy have raised E&H Tax to reach \$80.3 million in the next fiscal year.

Gasoline taxes are expected to yield \$57.1 million in 1973-74. Individual Income Tax is expected to provide \$95.6 million with Corporation Income Taxes expected to yield almost \$19 million.

We estimate that tobacco taxes will yield \$6.8 million in 1973-74, an increase of \$600,000 over the current year's estimate. The increase is due to two factors, the normal growth in sales and the adjustment of the rate on all cigarettes to 9/25ths of a cent. This will eliminate the current preferential rate of 8/25ths of a cent per cigarette on those cigarettes which are 85 millimeters in length or less. The change will be effective at midnight tonight. At the same time, the formula under which cigars are taxed will be altered to reduce

the number of break-points. This change is being made in the interests of the administrative simplicity.

Revenues from provincial Succession Duties and Gift Taxes are estimated to be \$2.8 million in 1973-74.

In the last year's budget address we articulated our philosophy that the true owners of our natural resources are the people of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — To obtain for the people of this province a fair share of the profits from mineral production we made changes last year in the royalties and fees payable in respect to mineral production. This year we intend to increase the oil and gas royalty and fee structure to bring it more into line with what we believe to be a fair return to the people of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — This will generate additional revenues in the amount of \$7 million. The aggregate effect of the changes which we made last year and the changes which we are introducing this year will be to increase resource revenues to \$52.7 million in 1973-74 compared to \$34.3 in 1971-72. Mr. Speaker, we believe that this constitutes a more reasonable return to the people of this province for the use of their resources.

Mr. Speaker, the equalization program represents the largest single unconditional grant under the Federal-Provincial Fiscal Arrangements Act. In 1973-74 we expect receipts from this source to reach \$136 million. We anticipate that the post-secondary adjustment payment will amount to \$12.6 million. Hon. Members will note that for the first time all receipts from the Federal Government under the shared cost programs are shown as revenue. This is a direct result of our conversion to a gross budgeting system.

Government enterprises including the Saskatchewan Liquor Board are expected to contribute \$55.4 million to the consolidated fund in 1973-74.

Mr. Speaker, we are estimating total revenues at \$723.7 million.

I'd like to sum up our position, Mr. Speaker. Cash inflows or budgetary revenues will amount to more than \$723.7 million. Cash outflows or budgetary expenditures will be almost \$722.8 million, leaving a cash carry-forward of approximately \$935,000 in the 1973-74 fiscal year. In terms of the fiscal period which started with the 1972-73 fiscal year we estimate that our cumulative cash carry-forward will amount to \$8.4 million at the end of the year.

It's derived from three sources. An estimated cash increase in 1972-73 of a million dollars and \$.9 million in 1973-74 plus the transfer to the consolidated fund in 1972-73 of the \$6.5 million previously in the Treasury suspense accounts. This money was there for the construction of the University Hospital extension and the completion of the South Saskatchewan Base

Hospital. These funds are now shown as a cash carry-forward and we intend to use them for the purpose for which they were set aside. The only difference is now the Legislature will appropriate the funds to meet the costs of construction in the year in which they are incurred and the funds are in full view of the public instead of being hidden away and unaccounted for.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, I would suggest that this is a responsible Budget.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — With the relative buoyancy of the economy I am pleased that we will be able to present a Budget in which we will have a small cash carry-forward into 1974-75. However, Mr. Speaker, our Government is by no means bound to a balanced Budget. Indeed, should the economic situation warrant expenditures in excess of revenues to create employment and opportunities for the people of this province, we would not hesitate to deficit finance.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, there are two sets of commitments which I would like to conclude my remarks by saying a few words about. I believe that there are two sets of commitments that people expect a government to fulfil. One set consists of the written commitments with which we are all familiar, the party program. The other commitment is unwritten and seldom articulated, either by the politician or by the public. It's not specific and can probably be best be described as an impression in people's minds. Because this commitment is conceived in the minds of individuals, it varies somewhat from one person to another. For some it's only a sense of direction. For others it assumes a more tangible form.

In 1971 the people of Saskatchewan soundly rejected the party on the other side of this House.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The people rejected them because they failed to live up to either set of commitments.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — The people rejected their crude and arrogant methods. They were rejected because the gerrymander violated the people's innate sense of fair play.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — They were rejected because they failed to develop this province and because they ignored the concern of the people about foreign ownership and methods of resource development.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, if I was poetic I would say they were rejected because the people sensed they danced to a tune played by a few musicians rather than to the chorus of the people.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, the Leader of the Opposition (Mr. Steuart) whom I note is not in his chair, during the days when he was Provincial Treasurer occasionally indulged in the field of rhetoric. Let me quote a gem from his budget address of 1969 when he said:

In too many areas of our country we see children and adults by the hundreds of thousands coming out of rundown shacks, wading through mud and dust to get to palatial schools, luxurious hospitals and elegant nursing homes.

Now after reading that who can say that the gentleman does not have a social conscience. But, Mr. Speaker, that was 1969, and what did the Government of which he was a part do about the mud and the dust and the rundown shacks? Nothing, Mr. Speaker. Absolutely nothing. It wasn't until this Government assumed office in 1971 that Operation Main Street was introduced to fix those muddy streets.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — It was this Government that initiated the street improvement program to settle the dust that assailed the nostrils of the Leader of the Opposition.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — And it is our Government that will do something about those houses through our housing program.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, that is the difference between Liberal pretences and New Democratic Party performance.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, in 1971 the people of this province spoke for bold and imaginative policies. They asked for new approaches to old problems. They asked for development but development in their interest and with some regard for the quality of life. To that call for action, this Government responded and will continue to respond.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Those who sit opposite and some small interest groups cry "Halt". But we remember they cried 'halt' to Medicare and

what a catastrophe it would have been for all of Canada if they had their way.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, now they cry ‘halt’ to a Crown corporation to explore for oil and gas. They call ‘halt’ to the development of our forest resources by the people of the province. They call ‘halt’ to a Hog Marketing Commission. And they call ‘halt’ to a fairer tax structure based on ability to pay.

Mr. Speaker, I suggest that those who call ‘halt’ missed before, missed during and missed after June 23, the message of the people of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Cowley:** — Mr. Speaker, I present to this House with confidence this Budget and the programs which it contains. I have confidence in the direction we are setting for this province and confidence in our ability to achieve those goals which the people have set for us.

Mr. Speaker, I move 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, before calling the motion, I am sure that there a few of us on this side of the House who would like to say a few nice things about the Budget.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — We are somewhat limited, of course, by the quality of the Budget, and consequently the nice things won’t take quite as long as some of the other things.

First of all I should like to congratulate the Honorable Minister on his first Budget as the first Minister of Finance in Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — The major change, of course, apart from the name, Minister of Finance, has been the change in the method of accounting for the funds of Saskatchewan and that, I think, represents the major change in this Budget over last year’s Budget. In the past, of course, the Government having very little to offer, has changed a name, formed a committee, commenced a study, or added Legislative Assistants.

I did want to congratulate the Hon. Minister on his selection of a tie and he surprised me on the method that they used to accomplish this. I felt that it would probably require

a Cabinet decision and I was indeed surprised that it was only necessary to call a Committee to select a tie for this particular job — very important piece of business. I assume that this matter will be resolved into a committee during the summer interval.

Mr. Speaker, not only do we have a new Minister of Finance, we now have a new Minister of Social Services, formerly Welfare; a new Minister of Government Services, formerly Public Works; a brand new Minister of Culture and Youth; another Northern Saskatchewan Minister . . .

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — We have a duplicate Minister in charge of Education, that is one man doing two jobs. I don't know how he can handle the two but that's the situation. I wondered if the Hon. Premier was going to adopt the name Prime Minister. I await that eagerly, I mean in this House and not in Ottawa.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — It seems to me, Mr. Speaker, that as the population goes down the names and number of Cabinet Ministers across the way goes up.

Now his Party has a great preoccupation with names. I observe in the last House they were not satisfied with the name 'Home Improvement Grant' so they brought in what is called a 'Property Improvement Grant'. I'm sorry, it was a 'Homeowner's Grant' and it went to 'Property Improvement Grant'. Now the old grant was given to people who were homeowners, just as the name implied, but some people are naive enough to believe that just because you have a property improvement grant system you have to do something about improvement of property. Well, I have an advertisement here by the Government and here is what it says:

Property taxes for school purposes throughout Saskatchewan averaged 43 mills, some places they are higher, some places they are lower. So what we are going to do is we are going to reduce the burden here.

I mean, here's what it says:

The best way to reduce these taxes is to provide a direct grant to resident property owners.

This is what the Government did, they called it a 'Property Improvement Grant'. It is money back on school taxes to use any way you want.

Obviously, Mr. Speaker, what you call it is not what it means at all.

**An Hon. Member:** — When was that ad published?

**Mr. MacLeod:** — That ad was published just in October, 1972. Now I suppose there are some people in this House that believe the



number of the ads produced by the Provincial Government in Saskatchewan had something to do with the Federal Government, the Federal election that was going on at that time, and certainly nobody on our side of the House would ever suggest that.

**An Hon. Member:** — Oh no! Purely accidental.

**Mr. MacLeod:** — However, I was very interested in the remarks of the Hon. Minister about the reduction in property taxes. Now this is practically the same thing that they said last year. They said, we are going to reduce their property taxes, and I want to assure the Minister that I was very glad because I noticed that on my tax bill for the year, property taxes were reduced from \$680 to \$720, and I assume we are going to see a repetition of this thing in the coming year.

**Some Hon. Members:** — Hear, hear!

**An Hon. Member:** — What about that tax shift?

**Mr. MacLeod:** — The one thing I will talk about for a minute is the total obsession by the Hon. Members across the way with names. I notice they changed their Party label a few years ago from CCF to NDP, without changing any of their policies, and I should like, if I may, to give them a little bit of advice. Gentlemen, I would recommend that in future you do like we do, keep the name the same but update your policy.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — Now I recognize that the Liberal Party has constantly gone ahead with a policy of rejuvenation and updating of its policy. The Hon. Attorney General (Mr. Romanow) refers to this with considerable annoyance, as political expediency and for the Members across the way who don't know the definition of political expediency, it is this . . .

**Mr. Lane:** — Ask Roy!

**Mr. MacLeod:** — If your Party does it, it is keeping in tune with the times. It's only political expediency if the other people do it. Now, the Attorney General was, therefore, rightly disturbed and annoyed and made his annoyance known to the House several days ago because the Liberal Party was constantly reviewing and renewing its policies.

I might say that I am disappointed that his masterful performance is not recognized in the Budget. I would have thought that having spent all day telling what the Liberal Party stood for, incorrectly, without in any way telling what his Party stood for, and in such a masterful way, would have drawn an Oscar. There are no provisions for Oscars in the Budget, despite the fact that he is my Number One nominee.

There is a story that I have to tell about the Attorney General. He comes from Saskatoon and the people up there know him a little better than we do and one lady said, "I want to tell you, Mr. MacLeod, about the Attorney General". They said,

“You’ve got to watch him very carefully”. But she said, “He gives himself away. If he holds his hand behind his back he is telling the truth; if he puts his hand in his pockets you can be sure you can rely upon him; but when he moves his lips, look out”.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — Now we are very interested, of course, to observe the two events in the House yesterday that I see have some reflection of in the Budget today.

First of all the Hon. Minister in charge of Industry in this province (Mr. Thorson) made an announcement. He wasn’t very happy about making that announcement because Robin Hood Multi-foods Limited in Saskatoon announced a \$650,000 mill and the Minister didn’t know about it. He, therefore, put a rush call to his Deputy Minister instructing him to find out all about this and the Deputy Minister reported, as he reported to the House, that this company was in fact going to build something in Saskatchewan and hadn’t taken the trouble to let the Hon. Minister know.

Well, I want to tell him why he didn’t know. It’s because the city of Saskatoon and the city of Regina have a policy and that policy is ‘never tell the Government about your program of development’.

**Mr. Rolfes:** — Hogwash!

**Mr. MacLeod:** — Hogwash nothing. As a matter of fact it has been transferred to the Premier and to Members of the Government and they know very well that it’s true. What has happened is this, Mr. Speaker.

Mr. Speaker, the tremendous assistance given by the Department of Industry and Commerce was clearly demonstrated in a recent case in Regina. The city of Regina had negotiated for the acquisition of a new industry — a food processing industry. They had arranged for the sale of land, they had made all the arrangements with that company and then they made the mistake of telling the Provincial Government and the Provincial Government, under the Hon. Minister, spent almost a year trying to persuade them not to go to Regina, but to go to some other centre in the province, for political purposes. This company eventually rejected the Provincial Government, it decided it would set-up in Regina and in a fit of annoyance the Hon. Minister then, himself, announced a program which had previously been announced by the Mayor of Regina. As a result of this kind of political shenanigans the cities of Regina and Saskatoon have declared a firm rule — they have instructed their officials not to tell the Provincial Government when they are making any arrangement at all for a new industry . . .

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — . . . because the kind of help they get from the Provincial Department of Industry and Commerce they can do without.

**An Hon. Member:** — Like the Roumanian Tractor Plant.

**Mr. MacLeod:** — Now, that was a most interesting kind of event that occurred yesterday in the House. Another one, Mr. Speaker, was the request by the Opposition to have priority debate on a matter we considered as urgent, namely, the rise in unemployment from 5.5 per cent to 7 per cent. We thought that was pretty serious. Now I discover on Page 9, and again on Page 30 of the Budget (they are concerned enough to put it in two places), that they regard the 6.4 per cent unemployment as staggering, but 7 per cent isn't staggering. I would have thought they would be all flat on the floor, but apparently the magic figure isn't 7 per cent, it's 6.4. That's the one that staggers them. If it's 6 per cent they're not staggered. 6.6 per cent they're not staggered, but 6.4 — that really gets them. Now I assume that whatever they do in future they'll see to it that the unemployment doesn't reach that magic figure again.

I'm disappointed, of course, because it did seem to me that what David Lewis was saying last October was that a rate of unemployment reaching 7 per cent, without being precise, was serious. Apparently the National New Democratic Party considers a rate of unemployment approaching 6.7 to 7 per cent is serious but in this House does not. The New Democratic Members of Saskatchewan don't regard it as sufficiently serious to call a debate on it. Now, again there are some people unkind and uncharitable enough to believe that when David Lewis was crying about unemployment last fall it had something to do with the Federal election.

The interesting part of the Budget, of course, is that the program called PEP, Provincial Employment Program, has been continued by this Government. It has been continued with a reduced amount — one and a half million dollars was authorized last year, if I read correctly it's one million dollars this year. But the figures are pretty unimportant. It doesn't matter how many dollars we are talking about because the plan is actually a plan whereby the Provincial Government will pay up to \$150, we'll pay 50 per cent of the cost of employment, we will share the cost 50-50 with employers, up to a maximum of \$150 per month to a maximum of four months in the summer months. The essence of the program is this, that a job must be created for the summer months and half the cost is paid by an employer and half the cost by the Government. The Government can budget \$20 million for this if it wants, students still can't find employment in this province.

The biggest single problem last summer was the failure of students to get employment in Saskatchewan. I talked to numerous students who couldn't get employment, so the Government is not going to have to match very many jobs because before you have to match it you've got to find somebody who will hire a student. You can't pay for no work and the way this Government is carrying on there aren't going to be very, very many jobs in Saskatchewan. The predictions are that the Province of Saskatchewan will have a population of about 890,000 at the time of the next election, the last report we have is that it has sunk to 917,000, it will continue declining unless something is done. So what is the solution offered by the Government? No solution at all.

I was very interested in their concern about rail line abandonment. Their solution is: don't let anybody do anything. The interesting part about the NDP platform is that they vary from total conservatism on the one side to absolute radicalism on the other and what their Party needs more than anything else is a trapeze so they can swing from one to the other. For example, this rail line abandonment, if that is stopped that's their answer to all of the problems of the small towns in Saskatchewan. Now last year I gave them some suggestions on how they could assist small towns in Saskatchewan. They didn't take any of these suggestions at all. What they did do, they came forth with a bold resolution saying, "don't move a railway, don't move a track", — a tremendous plan. It reminds me of the mother who had a daughter who wanted to go swimming. The mother says, "fine darling daughter, hang your clothes on a hickory limb but don't go near the water". Now that's the way this Government wants to do things. It says that whatever you do don't change anything, but we demand dramatic and bold new programs.

Now the Budget. Well the Budget certainly didn't solve any of those problems. I'm very interested in the Budget. Let me look at where the money comes from to begin with. Well, to begin with, 40 per cent of the Budget, \$295 million comes from the Federal Government. Now, Mr. Speaker, I observe that the Hon. Minister in his first major role as a Minister of Finance went to a conference and the western representatives were talking about their needs and desires and all the rest of it, but what did the Hon. Mr. Cowley say? He said nothing — "Cowley silent at conference". Now, I'll tell you, there are two main reasons to be silent, one is if you don't know anything, you can effectively mask your lack of knowledge . . .

**Mr. Lane:** — Not Elwood.

**Mr. MacLeod:** — . . . the other reason is because you just don't have the moral courage to ask for more. After a Budget, with 40 per cent of it provided by the Federal Government, surely we at last can no longer go to Ottawa and have the courage to ask for another penny.

**An Hon. Member:** — Now we know why he was quiet.

**Mr. MacLeod:** — Yes, now we know why he was quiet. The largest single source of funds, the major source of funds is the Federal Government. Yes, those Federal Liberals, all they are doing is bailing out the New Democratic Party.

As a matter of fact, Mr. Speaker, the average annual amount of money received by the Provincial Government in each of the nine years before this Government came to power, was \$25 million in Federal equalization payments. Now that wasn't all they got, but in the Federal equalization payments it was \$25 million. The equivalent amount in the first year of the New Democratic Party's term of office this time was \$119 million — I'm sorry \$107 million and last year budgeted for \$119 million — \$227 million from the Federal treasury and yet as a result of that this Government was able to get only a measly \$10 million surplus last year and it found itself obliged to raise the taxes from 34 per cent to 37 per cent when the Federal Government reduced its tax base and another 3 per cent this year to 40 per

cent. One kind of wonders where the money is going to. Despite this fantastic upsurge in the economy, despite the revenue at an unprecedented level — \$30 million from liquor sales alone, despite the \$10 million, this Government still seems to want more money and throughout the Budget there are increases. Now where did these increases go? Well, 25 million of the increased dollars come from personal taxes, \$25 million out of the pockets of our wage earners, \$4 million more out of the corporations of the province, a total of almost \$30 million. However, the Government is not going to take without giving. Therefore, it gives somewhere between an \$8 million and \$10 million increase in connection with its Property Improvement Grant which we all know has something to do with relief of the tax burden. Now this is what I call an interesting transfer of the burden — \$30 million more out of your pocket, transfer \$10 million back in, that in the NDP lexicon is a fair trade. I wonder what Mr. Lewis is thinking about his Saskatchewan division at this time? I'm so sad over the way they have wrecked our province, I'm almost crying.

Mr. Speaker, I have here, from the Leader-Post of Wednesday, February 7th, where it talks about a headline from Ottawa, "Corporation Tax Cut Threat to Liberals" and "The New Democratic Leader demands that there be a tax cut in personal income rates". While the Federal Party is demanding a reduction in the personal income tax rates, the Provincial Party is increasing the personal tax rates. Either the one hand doesn't know what the other is doing or the Party with a principle has two different sets of principles depending on where you are and what you are doing.

Mr. Speaker, the New Democratic Party is spending our money in a variety of ways of interest to the people. I was rather hoping, Mr. Speaker, that we might have got some solution to one pressing problem in Saskatchewan, namely, the one that the Hon. Mr. Bowerman has charge of.

**An Hon. Member:** — . . . all left.

**Mr. MacLeod:** — No, they sit here for one hour and a half in these uncomfortable surroundings — and I say uncomfortable because of all the money being spent by the Government, they don't seem to have one nickel for air conditioning to these premises. Or if the air conditioning is here it doesn't work, particularly when the Hon. Minister has taken up an hour and a half.

Mr. Speaker, let me talk about what Mr. Bowerman did during the last year to spend our money. The point comes out, and here is what he says: "The year under review has been one of re-examination and planning". Congratulations! Planning to win Athabasca! Well that was a bad plan. "A new high was achieved in the sale of hunting licenses".

Now I want to report on the very essence of his programs. He says:

Extensive inventory and research activities were continued and initiated to assist in the development of effective resource use and management.

Whatever that means I don't know, but it is certainly of little value to the people of Saskatchewan.

Now, Mr. Speaker, the real essence of this Budget is that it is designed to continue to engage more and more people, more staff, for political purposes. As part of this program they have decided to jimmy the Budget. What they have done is to alter their budgeting methods. Everybody in this country operates on a year to year basis. You budget for one year, you make your plans for a year and at the end of the year you know whether you are ahead or behind it. This Government has invented what they call "cyclical budgeting". They have decided, according to the Hon. Minister of Finance (Mr. Cowley) that they are not going to terminate at the end of the year, they are going to carry on. And here is what he says: "The adoption of long term fiscal accounting will mean that the financial statements of the province will more accurately reflect the Government's long-term approach to fiscal planning".

The accumulative cash position was shown for an extended fiscal period. Here is the clincher! "There will be no attempt to set the length of a cycle in advance. They will be terminated and initiated according to current economic conditions". And what I want to say is that he will stop it and will start it whenever it suits the Government.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — That is a flexible plan. So if we have a good year ending 1974 that will be the end of the cycle. If we have a bad year ending in 1974 it won't end, it will carry on. That is the sort of thing that they do when kids are flipping, they go two out of three and if the fellow loses he says, three out of five. If he loses the flip of the coin again it is four out of seven and so on, and that is the way the Government is going to operate the cyclical budgeting in the future. That is, it will never end, the cycle will never end until it suits them. Not only is this Budget confusing to the ordinary citizen, not only do they juggle departments year after year, they are now never going to quit until they are ready to quit. I suggest to them that they will quit, they will quit in 1975.

Mr. Speaker, I had just received the Budget and the Estimates a few moments before we entered the House today. Obviously we cannot give a detailed analysis of expenditures exceeding \$700 million in the few minutes at our disposal, particularly since the Government has had months to consider what it is going to do. Considering the time that they have had, I regret that they did not produce a better document for our perusal, but nonetheless it is going to take me a little time to study this and I shall have more to say on Monday.

However, Mr. Speaker, I can say that most of what I read is either a joke or a bad dream. This, in many cases, is a stand-pat Budget. There are no exciting new programs at all. The expenditures on the tourist industry are a joke. The Hon. Minister of Natural Resources (Mr. Bowerman) has his budget reduced by \$2 million. The tourist industry, however, boldly is going to go out and they are going to construct three new reception centres. Isn't that nice! I suppose one on a road south, east and west, to introduce to the Province the new people who are expected to flock in here.

The small businessmen and the farmers have very little to

be pleased about in this Budget. It is obvious from an early perusal that there is practically nothing to please them or to give them cheer. The only thing that we can expect out of the Government is a new name.

The Hon. Mr. Cowley, despite the fact that the people are leaving the province, says that people are no longer leaving in droves. I have no doubt that the Premier will call a Cabinet meeting, or perhaps a committee, to try to find out a new name to identify those numerous people who leave Saskatchewan. They may call it leaving in herds, but obviously the word 'droves' is no longer part of the New Democratic Party lexicon.

Consequently, Mr. Speaker, I shall have a few more remarks and I shall attempt if I can to find something good about this Budget, because if doesn't please me to harp about these things at all. It suits us, in the Liberal Party, far better to be positive about these things. It suits us far better to look forward to a glowing tomorrow and, therefore, I shall make every effort to find something good in this Budget.

**Some Hon. Members:** — Hear, hear!

**Mr. MacLeod:** — Whether my efforts are thwarted or not, Mr. Speaker, I should like to continue my remarks on Monday and, therefore, beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 4:33 o'clock p.m.