

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Seventeenth Legislature
29th Day

Thursday, March 14, 1974.

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day.

WELCOME TO STUDENTS

HON. J. E. BROCKELBANK (Saskatoon-Mayfair): — Mr. Speaker, it gives me a great deal of pleasure to rise on behalf of the Member for Saskatoon-Riversdale (Mr. Romanow) who is unfortunately not in the House today, and on his behalf introduce to you and to the Assembly a group of students from Princess Alexandra School in Saskatoon. I believe they are situated in the west gallery and there are 50 of them in Grade Seven and Eight. They are accompanied today by three of their teachers, I believe, Mr. Meier, Mr. Ulrich and Mr. Brow.

It is my hope and I am sure the hope of all the Members here that the students find the trip to the Legislative Building and to Regina an educational one and we all hope that they have a safe trip back to Saskatoon-Riversdale.

HON. MEMBERS: — Hear, hear!

MR. K. R. MacLEOD (Regina Albert Park): — Mr. Speaker, it gives me great pleasure to introduce to you and to the Members of the Legislature 30 Grade Eight students from W.C. How School who are situated in the east gallery of the Chamber. They are here visiting with us and I hope they enjoy the proceedings. They are to meet with me after 3 o'clock at which time I shall endeavor to enlighten them as to any misconceptions they might have as to the proceedings here, although I doubt that they will have too many misconceptions. As I mentioned yesterday these students are from an outstanding school in an outstanding area of town and we welcome them to the Legislature.

HON. MEMBERS: — Hear, hear!

MR. MacLEOD: — Mr. Speaker, I did neglect to mention that they were brought here by their teacher, Mr. Graham.

QUESTIONS

TELEGRAM RE GRAIN MOVEMENT

MR. E. F. GARDNER (Moosomin): — Mr. Speaker, before the Orders of the Day I have here a copy of a telegram addressed to Hon. Pierre Elliott Trudeau, Prime Minister of Canada, with copies going to Hon. Jean Marchand, Hon. Otto Lang and Hon. Eugene Whelan, and I would like to ask the Government if their Members would join with us in sending this telegram from all elected Members of this Assembly rather than sending it from our caucus as was our first intention? I should like to read this telegram:

It is now apparent that there is a crisis situation in the movement of grain out of Saskatchewan. Export commitments will not be met resulting in the loss of grain sales amounting to several hundred million dollars. Investigations indicate that the railroads are not giving grain movement the priority required. We urge the Government of Canada to direct the railroads to immediately take any and all necessary action to resolve this emergency. This is necessary to maximize returns to the farmer and to protect the reputation of Canada as a reliable supplier of grain.

Mr. Speaker, I know it is not appropriate to comment on the reasons behind this. The telegram is self-explanatory and we are prepared to send it from all Members on a non-political basis if they will join with us.

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, I would have appreciated it had the Hon. Member been able to give us a copy of the wire so that we could have considered it at our caucus which rose just ten minutes ago. It is a little difficult to get the full sense of the wire from hearing it read. However, subject to slightly fuller examination of it I think we will be able to join with all Members of this House in forwarding that wire. It expresses the sentiments which had been expressed by our Government to the Government of Canada which were voiced I am sure yesterday by the Hon. Mr. Romanow to the Hon. Mr. Marchand in Vancouver when he met him there. One of the particular points which we asked him to stress was the shortage of rolling stock for the movement of grain and I am sure that he has done that. Accordingly, I would see no reason why we would not be able to join Members on the other side of the House in forwarding this wire to the Federal Government. As I caught the sense of the wire when it was read by the Member for Moosomin, certainly the general tenor is acceptable and I think that, subject to an examination of the particular words, we could join with you.

SOME HON. MEMBERS: — Hear, hear!

MR. GARDNER: — Mr. Speaker, a supplementary question. If the Premier would like to delegate some, one or two of his farm Members or someone else to look at this with us, we would be glad to do this at any time this afternoon.

NEGOTIATIONS WITH SASKATCHEWAN GOVERNMENT EMPLOYEES' ASSOCIATION

MR. T. M. WEATHERALD (Cannington): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Labour (Mr. Snyder). My understanding is that as of one o'clock today 400 Government staff, usually referred to as Labor Service Employees, have taken strike action. The question I wish to direct is, are negotiations between the Saskatchewan Government Employees' Association and the Government taking place or have negotiations now completely broken down?

HON. G. SNYDER (Minister of Labour): — Mr. Speaker, most appropriately the Minister in charge of the Public Service Commission is directly involved and has a clear understanding of the negotiations and the progress that has been made, accordingly I believe that Mr. Taylor, the

March 14, 1974

the Minister of Social Services and in charge of the Public Service Commission is prepared to comment in depth.

MR. WEATHERALD: — The supplementary question is that it is obvious today that . . .

MR. SPEAKER: — Order:

MR. WEATHERALD: — Well, I got no answer.

MR. SPEAKER: — Order; You asked a question of the Minister of Labour and he referred you to the Minister in charge of the Public Service Commission who is more able to answer. I think we should have an answer to the question before we have a supplementary question.

MR. WEATHERALD: — Mr. Speaker, I thought the Minister was going to refer to something dealing with social welfare.

STATEMENT

SASKATCHEWAN GOVERNMENT EMPLOYEES' ASSOCIATION

HON. A. TAYLOR: — Mr. Speaker, the answer simply to the Member's question is, yes, negotiations are continuing. They have been going on for some time and will continue. With your indulgence, Mr. Speaker, I would like at this time to make a short statement.

The Saskatchewan Government Employees' Bargaining Committee representing the Labor Service Employees of the Government have instructed their membership to walk out at 1 p.m. today over a disagreement at the bargaining table on the issue of hours of work for a group of 200 highway technicians. The Government negotiators have offered a 50 hour week, effective April 1st, 1974, a 45 hour week, effective October 1st, 1974. The union is asking for a 40 hour week effective April 1st, 1974.

The union has agreed to the entire package, this is my understanding, laid before them with the exception of hours of work for the highway technicians, and in this connection it ought to be mentioned that this group works side by side with highway construction workers where agreement appears to have been reached for the 50 hours effective April 1st and 45 effective October last. A 40 hour week has been offered for all highway maintenance workers numbering about 1200, all parks employees, all ferryboat operators and all other employees in the labor service group, other than those employed in work necessitating undefined hours. The package presented includes increased wages which approximate 15 per cent in the first year and nine per cent across the board in the second year. A 22 month contract has also been offered. Other benefits offered include acceptance of the entire labor service work force into the Public Service Superannuation Plan, a position classification plan, northern allowance, shift differentials, payment by the Government of the premiums for the first \$4,000 coverage in a group life insurance plan, increased sustenance allowance, plus improvements in many procedural clauses in the agreement.

This represents the best contract ever offered to either of the two SGEA groups since their inception, and the union, of course, is aware of this.

The action, of the group in walking off the job today we believe is unrealistic in the light of what has been offered. The Government is committed to 40 hours a week for our employees, but in certain areas such as highway construction and their allied groups, it is essential that a reduction to 40 hours be phased in by stages. This is being done, the union acknowledges this in principle, yet in this one case they are attempting to force the hand of the Government.

MR. WEATHERALD: — It's fortunate that the Minister had a prepared answer, Mr. Speaker.

The supplementary question I should like to ask is that today a blizzard is raging in much of Saskatchewan and many of these employees are involved in the Highways Department. Does the Government expect to maintain roads in a reasonable condition as far as the next few days are concerned considering that the strike involves many of the Highway employees?

MR. E. KRAMER: (Minister of Highways): — Mr. Speaker, I believe that I could second what Mr. Taylor, the Member for Kerrobert-Kindersley, has said.

I want to say that there isn't a complete walk-out, it's this afternoon until 8 o'clock tomorrow morning. I have issued a statement which says, in fact I could read this:

The Department of Highways is not in dispute with its employees rather the present disagreement revolves around the failure of the SGEA's negotiating team to communicate the Government's generous offer to the union members.

That is exactly where the situation stands. Yorkton's maintenance is not out in the Yorkton district, in the Regina district the maintenance is not out. I would think that Swift Current, Saskatoon and Prince Albert districts will be back in as soon as the maintenance crews realize that they have not received the information they should have done from their union negotiators.

QUESTIONS

INCREASE IN PRICE OF BREAD

MR. J. G. LANE: (Lumsden): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Hon. Minister of Consumer Affairs (Mr. Tchorzewski). In a previous question in this House dealing with the matter of the proposed bread price increase an attempt was made to blame the problem on Ottawa. The Government in Ottawa has now acted and forced a roll back in prices of two cents a loaf in the price of bread in Canada. Is the Government now prepared to absorb the proposed two cent increase in the Province of Saskatchewan in the price of bread?

HON. E. L. TCHOREWSKI: (Minister of Consumer Affairs): — Well, I think, Mr. Speaker, that when the question was directed previously I, unfortunately, was not in the House so therefore I did not answer but I think the answer is basically still the same. It is true that the bakery industry has now voluntarily, I am told, agreed not to increase at least for the short term the price of four cents a loaf but rather two cents. I do not think that this is the case across Canada, I do believe it is still going to be increased four cents in places like Montreal although I may be corrected on that. If there is going to be action taken on the bread industry to pick up the increase of the two cents, I don't think it can be done on a provincial level and I think the Member opposite realizes that. I think if action has to be taken it has to be taken at a national level. As we said before, that is where the responsibility lies and that in fact is where it has to lie in order for it to be effective and that is still our position.

MR. LANE: — Mr. Speaker, a supplementary question. Are we then to assume that the only action taken on commodity price increases in the Province of Saskatchewan will be that on beer? As the precedent has been set by the Government opposite there are actions that can be taken. You did absorb the proposed beer increase and you proposed to do it, why can't you do it on the price of bread in Saskatchewan?

SOME HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — Well, Mr. Speaker, the Member opposite is like a worn record. We heard that kind of comment made initially by the Leader of the Opposition this last summer or fall. In his initial comment in which he was alleging that there was a subsidy on beer, totally wrong of course as is usually the case, Mr. Speaker, and he failed to indicate that it has always been the practice of establishing the pricing patterns of the Liquor Board to the breweries for the beer that was bought. There was nothing new involved, it was always the pattern, it was the same pattern as ever. The Member also did not mention in his remarks, which were supposed to be a supplementary question that in fact the price of beer did go up as it always has on the same basis.

STATEMENT

CORRECTION IN HIGHWAY REPORT

MR. KRAMER: — Mr. Speaker, there was a mistake, a slight error in the 1974 Highway program I tabled yesterday. I would like to correct it today, it concerns No. 221 Highway from Cypress Park to Fort Walsh. This is not confirmed, I don't want this to be taken as final. There are some protests in that area that this route is not the correct one. We are not proceeding with that route. This is the route that was suggested by the federal people who were involved in the Fort Walsh development. We are not accepting this until we have had further discussion with the people in the Fort Walsh and Maple Creek area.

ADJOURNED DEBATE

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins (Minister of Finance) that this Assembly do now resolve itself into a Committee of Finance and the proposed amendment thereto by Mr. McIsaac (Wilkie).

HON. W. E. SMISHEK: (Minister of Health): — Mr. Speaker, this afternoon I want to announce to the people of Saskatchewan some new and extending health programs. But before doing this I want to briefly point out a few of the things that this Budget means to the people of Regina. Mr. Speaker, there is \$160 for practically every Regina homeowner in Property Improvement Grants to help pay the property taxes. More money for education, again to keep property taxes down and to add new programs especially physical education and extended driver training programs. The \$10 unconditional per capita grant will give Regina almost \$1.5 million a year designed to keep our property mill rate down. The five-year \$75 per capita grant for municipal capital works will give Regina about \$11 million. I hope that this money is used to rejuvenate the old portions of our city and provide services to new areas. An equalization grant will replace the \$1.50 per capita police grant. This will mean much more money for Regina. Library grants will be doubled. Improved recreation and tourism facilities for Regina. A museum park complex centered on the Territorial Government Building and Saskatchewan House will preserve our history. It will provide pleasant new public gathering spots. The Government will allocate \$1.7 million towards making Western Canada Games in Regina a success. There will be money for use in student employment programs.

Mr. Speaker, the proposals also contains a family income program to supplement the income of working families in the lower income brackets. A family and neighborhood day-care program for our children. More money to support our universities. There are funds for upgrading our hospitals. Free medical and hospital service, a saving of \$72 per family and \$56 for the individual. A denticare program for our children. New and more money for housing. Assistance for our public transportation system and more, Mr. Speaker.

What this all means is that the Provincial Government will give Regina as well as all the Saskatchewan communities millions of dollars of financial assistance, provide money to keep mill rates on property taxes down and initiate new public programs designed to improve social services and the quality of life.

Mr. Speaker, let me correct the Press story of last Friday's local newspaper alleging a 20 per cent increase in the health budget. Mr. Speaker, I invite the Press to look at the bottom of page 72 of the 1975 or the new Estimates. The Department of Public Health budget for the coming year is \$224 million. Last year it was close to \$203 million. I make the increase a little over 10 per cent. Mr. Speaker, I realize that our Department is a big spender but to suggest a 20 per cent budget increase is stretching things a bit far. Mr. Speaker, since the Liberals apparently read this story they became so imbued with that figure their faces turned red and they started to holler

March 14, 1974

'inflation'. I am quite concerned, that some of them might end up with heart attacks, thus increase the cost of medical care, all because of a wrong newspaper story.

Mr. Speaker, I now want to turn to new, improved and extended, health programs. Most of us have little appreciation of the cost, the worry, the inconvenience and confusion which must be faced, by handicapped, individuals in attempting to obtain those aids for daily living which make it possible simply to function. The typical price of a wheelchair is \$350. Prices can range much higher depending on the added attachments which an individual might require. I have been told that wheelchairs and similar devices are frequently in need of repair and are often costly to service. We realize that the average price of a simple commode is \$100 and a patient's lift device is \$300 on the average. And these are but a few of the expenses which must be incurred by individuals who have had the misfortune to be handicapped.

I recognize that there are many existing government and volunteer agencies which provide equipment to the handicapped. These agencies are to be commended. The problem, we have discovered, is that each of these government and volunteer agencies have different qualifying criteria before they can service clients. There are so many agencies involved that it is thoroughly confusing, frustrating and inefficient for both the patients and the health workers alike to help individuals who need aids for daily living.

Moreover, we have evidence that some individuals need services which they have not been able to obtain and yet others are unable to afford the devices which are prescribed for them. To meet these needs, we propose to introduce a program called Saskatchewan Aids to Independent Living, abbreviated 'SAIL'. This program will provide an integrated and co-ordinated program for people's needs, such things as artificial limbs, leg braces, wheelchairs, walking aids and other aids to daily living.

The object is to cut through the red tape, substantially reduce or eliminate the costs to the client and provide a follow up rehabilitation program which will assist the handicapped to make the best use of the devices which have been prescribed for them. The 'SAIL' program will provide the needed devices for them, either free or on a loan basis.

Prosthetic and orthopedic devices like artificial limbs and leg braces are individually fitted. They should be retained outright by the individual but will be provided free of charge through the Wascana Hospital and the Saskatchewan Council of Crippled Children and adults workshops in Saskatchewan.

Wheelchairs, walkers, commodes and other aids to daily living are reusable aids and will be available to clients on a loan basis for as long as a patient requires these medically. The equipment will be distributed through the regional health offices of the Department of Public Health.

Public Health Nurses will visit 'SAIL' program beneficiaries on a regular visitation basis to assist them to adjust to these devices, to assess the home environment for making use of the equipment and to follow up the rehabilitation program of the individual. The 'SAIL' program will also provide a comprehensive equipment repair and maintenance service. ;

While it will take a little time to organize and make this program operational, \$250,000 has been set aside in this Budget, most of which will be used to ensure prosthetic and orthopedic devices and to acquire the initial inventory of wheelchairs and other aids to daily living which will be made on a loan basis to clients. By bulk purchasing of equipment, we are expecting to obtain savings of about 40 per cent. The 'SAIL' program, Mr. Speaker, will in fact go far beyond the commitment we made during the last election campaign.

SOME HON. MEMBERS: — Hear, hear:

MR. SMISHEK: — Mr. Speaker, braces and wheelchairs will not be provided at greatly reduced cost, they will be provided at no cost at all to beneficiaries under this program.

SOME HON. MEMBERS: — Hear, hear:

MR. SMISHEK: — The need for this program is genuine and great. We cannot deny this program to the handicapped of our province.

Mr. Speaker, as a corollary to this program, the March 1975 report of the Task Force on Workmen's Compensation in Saskatchewan drew attention to the need for a more comprehensive occupational rehabilitation program for those who are handicapped but employable. A significant number of individuals who have been handicapped in one way or another can be helped to regain productive employment. However, this requires careful assessment of the individual's physical and psychological limitations and some assessment of the kinds of work that the individual can successfully undertake.

We are providing for the establishment of this special assessment unit which we are calling a work assessment and work conditioning program. It will be located in the Wascana Hospital in Regina and will become operational as soon as certain physical facilities are renovated to house the unit.

This Budget provides \$169,000 for the physical facilities of the work assessment unit and an initial start-up operating budget of \$50,000 in the current fiscal year.

SOME HON. MEMBERS: — Hear, hear;

MR. SMISHEK: — Mr. Speaker, across all of, alcoholism and problems associated with alcoholism are recognized to be one of the greatest health problems to be faced by our nation.

Saskatchewan's Special Committee on the Review of Liquor Regulations has summarized the problem this way, and let me quote:

With over 30,000 problem drinkers directly affecting the lives of at least another 100,000 people; with the direct cost of over \$17 million; with over half the traffic fatalities involving alcohol; with a high proportion of assaults and murders involving drunkenness; with countless homes being broken up and children's lives scarred by sorrow, let there be no doubt about it, alcohol abuse is one of Saskatchewan's major public

health problems.

As you know, Mr. Speaker, our NDP Government has committed many resources in an attempt to develop acceptable educational and treatment programs for our Saskatchewan people. Last fiscal year we increased our budget to the Alcoholism Commission to over \$1 million. We opened a new rehabilitation clinic in Saskatoon. We increased our grants to the native societies to assist them to deal with the problem disease among the native people of our province.

Recognizing the size and difficulty of this problem, I recently asked the Federal Minister of Health and Welfare what help the people of Saskatchewan might find in working co-operatively with the Federal Government, particularly for our native people. Mr. Lalonde's response was that the Federal Government was likely to spend an additional \$1 million per year for all of Canada in an improved alcoholism education program, yet their income from liquor tax last year was over \$414 million. Quite frankly, Mr. Speaker, this pitifully small amount of financial support from the Feds astonishes me.

Mr. Speaker, our Government is committed in this fiscal year to spend \$2,342,000 in Saskatchewan alone to develop alcohol education programs and to strengthen existing rehabilitation, treatment, counselling and research programs.

SOME HON. MEMBERS: — Hear, hear;

MR. SMISHEK: — When we took office 32 months ago, the alcoholism budget was \$635,000. As a start, this year we are increasing the budget of the Alcoholism Commission by \$583,000. An additional \$167,000 is being provided through the Department of Northern Saskatchewan for the alcoholism rehabilitation-centre in northern Saskatchewan.

Mr. Speaker, the Legislative Committee on Liquor Regulations recommended:

That the Provincial Government begin an extensive alcohol social-health education program using the mass media and other resources that will foster community involvement.

Our Government has accepted this recommendation of the Committee. We have decided to introduce a unique public education program aimed at making the public aware of the dangers and consequences of drinking unwisely.

Within the Health Education and Information Branch of the Department of Public Health \$520,000 has been budgeted in_ order to initiate this extensive public alcohol social education program. The program will be directed, not towards the five or six per cent of people who are clearly problem drinkers (however, they will not be missed), rather, the program will be directed towards the majority of those people who drink yet who function relatively normally in our society. That is, they function normally until they try to drive with one too many drinks and thereby place the lives of others in danger. Or they become unpleasant at a social gathering. Or they show up drunk for work after a lengthy businessman's luncheon. Or they return home after a night out with the boys and cause marital and family discord.

Mr. Speaker, in other words, this program will be directed at the bulk of the population who use beverage alcohol, but who do not consider themselves as being legitimate targets of the programs of the Alcoholism Commission.

Initially, the objective of this public education program will be:

1. To raise the level of the awareness of the public to drinking patterns which are harmful.
2. To reinforce social attitudes which will have a positive effect in changing such drinking patterns.

The program is intended to make extensive use of the mass media, Mr. Speaker.

Since there are no successful examples to follow in this kind of project, the objective of this innovative project will be allowed to grow as experience is gained and as we see results in the program.

This new alcohol education program is a complement to our increased support of the Alcoholism Commission and its treatment program, rehabilitation and counselling programs.

There have been those in the House, Mr. Speaker, who have said that not enough funds are being provided, others may repeat the same argument. May I point out, Mr. Speaker, that almost six per cent of liquor profits are allocated for the alcoholism program. The Legislative Committee recommended 10 per cent. We have made a long step forward, we have moved a long way towards the optimum objective of the Committee.

SOME HON. MEMBERS: — Hear, hear;

MR. SMISHEK: — Mr. Speaker, we are launching a new experiment. We sincerely hope it works. Our biggest problem will be to recruit qualified staff. Mr. Speaker, I ask every Member of this House to join me in supporting this important new effort.

Mr. Speaker, at the last session of the Legislature, I expressed my concern for the deterioration of the state of our provincial cancer service. I proposed amendments to The Cancer Control Act at that time, I appointed a new Cancer Commission and initiated a number of improvements which already have restored the confidence of our citizens in this public service.

I particularly want to commend the new chairman of the Cancer Commission, Dr. Ken Hodgins, for his leadership in reorganizing the Saskatchewan Cancer Control Program and providing the enthusiasm which is allowing this program to progress so quickly. The Commission has undertaken a far-reaching review of the existing cancer programs. A committee has been appointed to examine social and emotional support services to cancer patients. Additional funds are provided also in buying new equipment. We also have accepted the recommendation of the Cancer Review Committee to train radiotherapists, radiation therapy technicians and nuclear medical technicians. Mr. Speaker, I am indeed pleased that we have moved so fast and so well in again restoring the cancer program to what it used to be.

March 14, 1974

SOME HON. MEMBERS: — Hear, hear;

MR. SMISHEK: — Mr. Speaker, \$150,000 is provided to acquire new equipment for the cancer clinics. In total the new budget provides for \$226,000 of new money and in total we will be spending \$3.7 million on the Cancer Control Program.

Mr. Speaker, in concluding I want to give the Hon. Members of the Opposition a little help in understanding this Budget. The Liberals have been attacking our Budget as inflationary.

Our Government's Budget is designed to help Saskatchewan citizens to cope with inflation, inflation which is forced on us by national and international events. Many of the goods which we must purchase in Saskatchewan are imported, either from other parts of Canada or from other countries. Saskatchewan essentially has no control over the inflationary prices of these goods.

Our Saskatchewan Government can help our citizens to cope with this imported inflation. This Budget is full of measures and programs designed to leave more money in the pockets of our people.

Mr. Speaker, I will support the motion, I will not support the amendment.

SOME HON. MEMBERS: — Hear, hear;

MR. A. MATSALLA: (Canora): — Mr. Speaker, it is with a great deal of pride and satisfaction that I take part in this debate.

This year's Budget is a budget of budgets. When I say this, Mr. Speaker, I do not want it to necessarily mean in dollars, but I do want it emphatically to mean in terms of benefits and services to the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear;

MR. MATSALLA: — I want to congratulate the Hon. Member for Nutana Centre (Mr. Robbins) for being appointed as the Minister of Finance, and for providing us with a balanced design of this Budget, as well as for the very capable manner in which he delivered his Budget Address.

Before I delve into the main remarks this afternoon, Mr. Speaker, I wish to congratulate two more of my colleagues in their elevation to positions of Cabinet Ministers — the Hon. Member for Melville (Mr. Kowalchuk) and the Hon. Member for Watrous (Mr. Cody). To all three of the new Ministers, I wish them well and I look forward to working with them.

Mr. Speaker, I would like to take this opportunity in addressing a few remarks to the constituents coming into the riding of Canora, particularly to those living to the south and to the west of the constituency. I want to extend to them a warm welcome and I look forward to serving and working with them. To the constituents living to the east of the old riding who are being transferred to the new Pelly constituency, I want to thank them for their support and for their co-operation in making my job as an MLA easier and more rewarding.

Mr. Speaker, in listening to the arguments presented in this Budget Debate by the Members opposite, I question their philosophy, if they have one, on the subject of inflation and government spending. I fail to understand where they really stand.\

In examining the 1968 budget speech presented by the now Leader of the Opposition (Mr. Steuart) he referred to the Federal Government as one of the major causes of inflation and he referred to the Provincial Government as one which contributes very little to the forces of inflation, in this debate, the Opposition is taking an entirely different point of view. They pay tribute to the Federal Government in its spending and providing additional revenues to the province, and they place the blame on this Provincial Government as a major contributor to inflation.

In making this point, Mr. Speaker, I want to say that the Opposition does not have any firm stand on the causes nor the remedies for inflation. On one hand they take the position there is too much government spending and that there should be further tax reduction; on the other hand, they take the position that there should be more government spending, more grants to municipalities, more programs for the elderly and greater encouragement to attracting new industries into Saskatchewan.

There you have it, Mr. Speaker, two Liberal stands, one opposite the other. One, too much spending and the other not enough spending. Now which is it? Can you tell this House, Mr. Leader of the Opposition? I want to suggest to you Mr. Speaker, that the Hon. Leader of the Opposition and his Liberals to the left do not know where they should stand on a forward-looking Budget such as this one.

First they are here and then they are there, hoping to find a comfortable political position. The problem they are having is that the Budget is just too good for any valid criticism.

SOME HON. MEMBERS: — Hear, hear:

MR. MATSALLA: — Mr. Speaker, I want to commend this New Democratic Party Government and the Finance Ministers since this Government took office in 1971. Our Premier, Allan Blakeney, the Member for Biggar (Mr. Cowley), and the Member for Nutana Centre (Mr. Robbins), have each done a tremendous job in hard bargaining and effective negotiating with the Federal Government to obtain for Saskatchewan a fairer and greater share of equalization payments under the federal-provincial tax agreement. In 1971, the last year of the former Liberal Government, the payment amounted to \$64,954,000, but since then, under this Government, the payments increased substantially. In 1972 it doubled to \$128,467,000; in 1973 it increased to 151,873,000 and now in 1974 we expect a further increase to \$153,909, 000. Mr. Speaker, these increases did not come by chance, they were realized by this Government making a strong case on behalf of the province and the people of Saskatchewan.

Mr. Speaker, the Budget before this House has been described in all sorts of ways. The Minister of Finance referred to it as a "Development Budget". The Opposition critic described it as an "Inflationary Budget". Many other descriptive adjectives and phrases were used from a "People's Budget" to a

March 14, 1974

"Rip-off Budget". But, Mr. Speaker, I should like to refer to this Budget as a fulfilling Budget. Any open and unbiased analysis would reveal that the Budget goes a long way and in some instances beyond the point of fulfilling the promises and commitments made to the people of Saskatchewan by this New Democratic Government in the 1971 election.

There is no question in the minds of the people that this NDP Government is a government of action. You will recall, Mr. Speaker, that the Liberal Opposition during, as well as after the 1971 election, continually castigated the NDP that it would be impossible to implement the program promised by us, and that we were leading the people of Saskatchewan down the garden path. I can understand that with the kind of broken record Liberal governments have, it would be impossible. But it is not so with this Government. The criticism was a deliberate attempt by the Liberals to use scare tactics. But with the performance of this Government, the Liberals were once again proved wrong.

Another reason, Mr. Speaker, why I should like to refer to the Budget as a fulfilling Budget, is its design to fulfil the needs of many Saskatchewan people. The Budget calls for increased spending in all areas of economic growth from our number one industry of agriculture to expanded development in northern Saskatchewan and in all service sectors from assistance to local governments to a family income program. The increased spending is specially directed to help those who are in greater need, a principle that this Government, and many of the people of Saskatchewan, subscribe to.

Mr. Speaker, let me now take a more specific look at what the Budget has in store for the people of Saskatchewan.

If we turn to agriculture, we shall find that the total budget was increased by 6 per cent. Mr. Speaker, ever since this New Democratic Government took office in June of 1971 its main concern was to tackle the problem of a shrinking rural economy as soon as possible and with the greatest of vigor. This Government will continue with its programs in agriculture to accomplish its desire to improve and preserve our rural way of life. Services under Land Bank and the FarmStart will be expanded and they will continue to receive careful attention. Our most capable Minister of Agriculture, the Hon. John Messer, will continue to press negotiations for a federal-provincial income stabilization plan covering the livestock industry. The provincial Hog Subsidy Program provided this kind of guarantee to hog producers, but it is a type of program that should have the support of the Federal Government.

Mr. Speaker, one of the most responsible actions of this Government is the direction it is taking in providing for an equitable tax policy. First and foremost, this Budget will not increase any major taxes. As a matter of fact, the effect of this Budget will, in some cases, reduce taxes and fees.

The Medicare premiums have been done away with; the surcharge on drivers' licenses for those under the age of 25 will no longer be charged. The young people are no longer penalized, nor discriminated against, they are on the same plane as men and women.

Mr. Speaker, one of the major promises of this Government

was to reduce property school taxes down to 25 mills. You will recall how the Liberals echoed across the province saying that the reduction was impossible. Why, it would break the province; the Government would go bankrupt: Well, Mr. Speaker,-let us look at the record.

In its first year of office in 1972, this Government reduced the property tax by 13 mills; then in 1973, by 18 mills, bringing the school mill rate down to 25, as promised. But this Government has gone further than that. This Budget is providing for an additional reduction of two mills — a total reduction of 20 mills in three years, Mr. Speaker.

What does this mean in dollars? Let us compare the maximum grant available. In the last year of the Liberals in 1971, the grant was \$70 maximum on residences, private or a part of business or a farm. While under the NDP the maximum tax reduction grant increased from \$78 on homes, \$130 on business, \$195 on farms in 1972 to \$160 on homes, \$200 on business, \$300 on farms in the 1974 Budget. This is the record of reducing property taxes by this Government. Certainly a record to be proud of, Mr. Speaker.

The Opposition financial critic in his major address called for further tax reductions. And he called for greater spending and at the same time warned the Government of overspending and contributing to inflation. If he is speaking for the Liberal Opposition, and I assume he is, then there is only one way to describe the Opposition, and that is, a confused and irresponsible group.

The people of Saskatchewan will recall the Liberal Government and their budget of March 1, 1968, and the Black Friday, when the Liberals opposite imposed over \$33 million in taxes increased against every man, woman and child of Saskatchewan. The Liberal regime, during their seven years in office imposed 1100 taxes. No question, the Liberals have gained a record for tax increases. When in Opposition, the Liberals talk about tax reductions and a rip-off Budget but the record proves that when in Government they imposed tax increase after tax increase. Their budgets were very little more than a rip-off of taxes from people least able to pay.

Mr. Speaker, there are many areas of Government one can discuss in a Budget such as this one. With the limited time allotted to me on radio, I should like to direct my remarks to what this Budget means to our local municipal governments. Assistance to rural municipalities over the last few years has been increased, although I must admit, not nearly enough to keep pace with rising operational costs. This year's Budget will give further assistance to increased equalization grants, particularly to municipalities with a Limited revenue base. The rural municipalities will welcome the stepped-up program in construction of main farm access roads from eight years down to five years.

Besides increased equalization grants to villages, towns and cities, this Budget is offering a most attractive grant package towards the development and improvement of urban centres. To illustrate the effect of grants available, I applied the formula to the villages and towns in the new constituency of Canora. Here is what I find:

March 14, 1974

First, the unconditional per capita grant of \$10 to all towns and villages will provide monies that could be used to further reduce the property tax and to provide new and improved community services.

According to the 1971 census population, just to use four communities to illustrate: the village of Springside would be entitled to \$3,500. The village of Endeavour would be entitled to \$1,930. The town of Canora \$26,030. The town of Preeceville \$11,180.

Secondly, the capital community fund could be of significant financial assistance to three towns and nine villages in my riding. Applying the \$75 per capita over the five-year plan, the town of Canora could be entitled to \$195,225. The town of Preeceville \$83,850 and the town of Sturgis \$46,275.

Applying the \$15 per capita grant on an annual basis, the nine villages could receive from the low of \$960 at Jedburgh, to the high of \$6,630 at Buchanan.

This financial package for cities, towns and villages contained in this Budget is the best ever. I am confident that every city, town and village in the province will welcome this assistance.

Mr. Speaker, I want to tell the Members opposite their negative vote on this Budget will mean that they are against all these progressive programs and the wishes of the majority of the Saskatchewan people. I invite the Members to reconsider their position and give this Budget the support it deserves, unanimous support.

Mr. Speaker, I cannot support the amendment, but I will give my full support to the main Budget motion.

SOME HON. MEMBERS: — Hear, hear;

HON. N. E. BYERS: (Minister of the Environment): — Mr. Speaker, I am pleased to join with my colleagues on this side of the House in congratulating the newly appointed Minister of Finance and the other two newly appointed Members to the Provincial Cabinet. I know that their past performance and their service to the people of their constituencies and their province will certainly continue as they assume these increased responsibilities.

Mr. Speaker, I want to deal, this afternoon, mainly with some of the major programs which we will undertake in the coming year, that deal with, — the Department of the Environment.

The programs which we are undertaking are certainly part of the environmental program that was laid out in the New Deal for People. May I say that one of the major commitments of this Government to the people of Saskatchewan was to establish a Department of the Environment and that was done in the first winter session after this Government assumed office. And since that time we have been acting vigorously on a number of programs related to environmental improvement.

In the limited time at my disposal this afternoon, Mr. Speaker, I should like to deal in a general way, with some

of the other programs that we are about to take.

With respect to the Qu'Appelle Basin which is of primary concern to about one third of the people in this province, it is just a little over one year ago that the Qu'Appelle Basin Report was presented to the Government. It contained about 64 recommendations to clean up the Qu'Appelle Basin. Those recommendations fell into three categories; those that were (1) a municipal responsibility, (2) a provincial responsibility or (3) a federal responsibility, or (4) shared. I want to say that in the past year we have been acting fairly vigorously on a number of those recommendations. I was somewhat disturbed, Mr. Speaker, when I returned from Ottawa late last night, where I have been for the last couple of days attending a meeting of federal and provincial Ministers, to read in the paper that the Hon. Member for Albert Park (Mr. MacLeod) had in his contribution to this Budget Debate, been critical of the Government for lack of action on the Qu'Appelle Basin recommendations.

I want, Mr. Speaker, to make it abundantly clear to this House, and particularly to the Member for Albert Park, who, unfortunately, is not in his seat, that there have been a number of things done with respect to the implementation of the Qu'Appelle Basin Study.

Let me report briefly on some of the progress in implementing the recommendations.

First of all, after we got the Report, Mr. Speaker, we held a series of meetings throughout the province to discuss the report and its recommendations. Now consulting with the public may be a nothing item in the Liberals' scheme of things, but this Government regards public consultation as an essential element of good government. We have now obtained the public views, and their ideas will be considered, and some of the original recommendations might be modified to meet with the concerns of the people affected by this Report.

In addition, we have asked each agency of the Provincial Government to identify those recommendations that could be included in their ongoing department programs or to be implemented in the coming fiscal year. And let me say again, for the benefit of the former financial critic, that most of the 17 recommendations of a purely provincial responsibility have been implemented through the ongoing programs of this Government.

The city of Regina has completed the design of the waste treatment facilities for the removal of algae and phosphorous. Construction of a \$3 million plant will be completed this year. The city of Moose Jaw is considering the disposal of effluent by irrigation methods. A study has been initiated to determine its feasibility from soil and economic standpoint. There have been considerable improvements undertaken in the Lumsden area, and I could go on.

Mr. Speaker, as Minister responsible for the co-ordination of the Qu'Appelle Basin Study and the implementation of the recommendations contained in that report, I should like to outline to this House our Government's plans for action on the Qu'Appelle this year. Because Members of this House will agree that after all the facts about a problem are collected, and after all those facts are studied, the recommendations are made and discussed and modified in line with practical possibility

March 14, 1974

and public acceptance, there comes a time when action should be the order of the day. And this is one of those times.

The Qu'Appelle Basin is a problem and this Budget is the order of the day.

MR. LAKE: — I wonder if the Hon. Member would permit a question. How many Government Members are in their seats at the present?

MR. SPEAKER: — The Member knows the rules, if a Member speaking doesn't take his seat you cannot ask a question.

MR. BYERS: — Mr. Speaker, the biggest item is the cost of improved waste treatment for Regina. The waste treatment proposed is designed to remove nutrients which up until now have added increasingly large and concentrated quantities to normally nutrient rich Qu'Appelle waters. These nutrients have dramatically increased the normal growth of weeds and algae. They have depleted the amount of water-borne oxygen available for aquatic life. They have reduced the appeal of our rivers and lakes and they have speeded up the inevitable process of lake aging.

Mr. Speaker, the cost of the initial stage of tertiary treatment now under construction in Regina will come to more than \$3 million. This Budget provides for significant financial assistance to Regina. The allotted money is based partly on the supposition that the province in turn will be reimbursed by Canada.

In addition, Mr. Speaker, we are asking for \$160,000 for flood protection measures along Wascana Creek, within Regina, as recommended in some detail in the recently released Wascana Flood Plain study. Those of you who have read the Wascana recommendations, or who read, heard and listened to the excellent summaries of the report carried by the media will know that the provincial contribution is conditional upon Regina developing strict flood plain zoning controls. Protection is obviously needed for those parts of the flood plain where building has already taken place. But any suggestion that the flood plain be opened up for further development with the public picking up the tab for the extra protection, cannot be justified.

Now I know there are a few doctrinaire souls around who perhaps still believe that in the name of free enterprise and profit, it is the average taxpayer's duty to spend his or her money in order that the profitability of someone else's investment or avidly-imagined future opportunity is guaranteed. This Government does not consider that it is the duty of the many to subsidize the elite under any circumstances. In fact that would be the height of irresponsibility and I am sure that Regina agrees, as I understand that the city is in the process of developing such control measures.

For Moose Jaw an amount of \$230,000 is provided in this Budget for a start on flood control, reservoir, dredging and water storage works in and near Moose Jaw. Farther down the Wascana and farther down the Qu'Appelle proper are the communities of Lumsden and Tantallon. These communities, ravaged in the past by frequent floods both need

construction for flood control. At Lumsden some construction has already been completed. We are providing \$240,000 for additional flood control construction at Lumsden in the coming year. For Tantallon \$40,000 has been ear-marked for the same purpose.

One important recommendation of the Qu'Appelle Basin Report that was re-emphasized in the recent Moose Jaw River study called for the transmission of Canadian Forces Base effluent to the Moose Jaw lagoon. This is one area in which the federal authority has responded positively and plans immediate action. There is however no point in simply moving the nutrients from upstream to downstream.

Mr. Speaker, one answer proposed by the Qu'Appelle Study was to use the nutrient rich secondary treated sewage for direct irrigation, providing both nutrients and moisture directly to the soil.

Pilot projects elsewhere in the province are also under way and were approved by Hon. Members in a previous budget. We are asking at this time for \$62,000 for a start on a more ambitious program of effluent irrigation in the Moose Jaw area.

Still on the Qu'Appelle let us turn to the lakes and recreation areas downstream from the cities. City sewage is our major source of added nutrients. But it is not the only source. Agricultural practices also play a part. During the year ahead we propose an expenditure of \$95,000 for a detailed inventory of livestock operations within the Qu'Appelle system and for development of a positive program of control over pollution coming from such sources.

I have been talking about flood-prone areas in the cities where the cost of protection makes added construction out of the question. There are flood prone farm lands as well, for which artificial protection cannot be justified. Such flood prone land can, of course, be used for other purposes. We are asking for \$250,000 during the coming fiscal year for the purchase of such lands.

Proper land use zoning in the first place would have eliminated the problem of cropping practices susceptible to flooding. We are asking for \$250,000 for the preparation and the implementation of a land and water plan within the Qu'Appelle.

Closely tied in to flood-prone problems and proper water and land use is the need for improvement of river water conveyance. There are certain segments of the Qu'Appelle system where improved conveyance is feasible and, where construction is justified. We are asking for \$250,000 to start this program in the coming year.

I want to say a word about public recreation. From the very beginning of the Qu'Appelle study almost everyone has agreed that there is an enormous undeveloped potential for public recreation in the Qu'Appelle. To make a start we must acquire control over land, develop recreation facilities for the present and start to plan the details of recreation development for the future. We are asking your approval of \$979,000 for this purpose during the year ahead. Of this amount, over \$250,000 is included for the development of historic trails,

sites, and nature interpretative centres in the Basin.

Mr. Speaker, implementation of the Qu'Appelle Board recommendations will extend over a 10-year period, involving participation by several departments of the province by agencies by municipalities, and I still dare to hope, Mr. Speaker, by the Federal Government. There must be a co-ordinated control and direction over the entire time span. We do not propose to create a new complex super-agency for this purpose. We do propose to work mainly within the existing machinery for interdepartmental and intergovernmental co-ordination. A project office with a project director and minimal staff will be established. But I have been talking, Mr. Speaker, about large sums of money. Some \$3,900,000 is needed for Qu'Appelle implementation at this time. There will be more needed in years to come. Most of it hopefully will be in the first five years of a ten-year period.

As we have had every good reason to assume federal cost—sharing on an equitable basis, one half or more of the almost \$4 million; namely, \$2 million will be recoverable.

I wish, Mr. Speaker, that I didn't have to use the word 'assume' but regrettably I do. In fairness to the majority of Members of this House, I am asking you at this time to approve not only a budget, but also to take part in an exercise of good faith. We had hoped that the various federal departments would have by the first of this calendar year agreed with each other upon the exact way in which they would provide their share of the funding. When January 1st came and went, we still hoped. Knowing as a Government that other governments must present budgets and secure legislative approval, that they would have decided out of the many purses at their disposal, the exact purse or purses into which they would dip for their funds. Mr. Speaker, we are still hoping that somewhere and somehow and sometime before the Qu'Appelle dies of nutrient overfeeding, a definite decision will be extracted from Ottawa.

SOME HON. MEMBERS: — Hear, hear;

MR. BYERS: — There may be Members in this House who will charge that I am making another attempt to encourage western alienation. I do not think that anyone is encouraging alienation when they complain about simple discourtesy. There is no excuse for Ottawa's delays. Saskatchewan worked with Ottawa in setting up the Qu'Appelle Study Board, in conducting the study, and in preparing the report and recommendations. We have kept them constantly advised in drawing up the Implementation Proposals. They know what action must be taken now, by this House, at Budget time, before this summer.

Mr. Speaker, I say there can be only one explanation for such delays and that is a low priority by the Federal Government for environmental protection in Saskatchewan. And there can only be one description of their attitude — simple discourtesy on the part of federal officials for a western provincial legislature.

But, Mr. Speaker, we are still going to go ahead at this time. We are asking Members of this House to take a chance on Ottawa's good faith because it is our water, our lakes and our land that must be protected. And we cannot afford to delay.

SOME HON. MEMBERS: — Hear, hear;

MR. BYERS: — Mr. Speaker, I have devoted my remarks up to this point to the implementation program that we shall undertake to restore and maintain the environmental quality of the Qu'Appelle Basin. The Qu'Appelle is not the only focus of concern for our department. The normal task of water management, planning, information and education and administration must go on and must be improved.

Let there be no mistake, Saskatchewan citizens are demanding increased environmental management and protection programs. The total department budget for 1974-75 is close to \$5 million or \$3.1 million for programs other than the Qu'Appelle. This represents an increase of some \$500,000 over last year.

We shall be spending \$648,000 for water management activities — up \$163,000 or 34 per cent from last year. We shall be spending \$507,000 for environmental protection activities an increase of \$170,340 or 50 per cent over last year. We shall be spending \$163,690 on public information and education activities, an increase of \$27,600 or 20 per cent over 1973-74 figures. However, Mr. Speaker, the bulk of the Department of the Environment's spending will be in the environmental impact and assessment area. This is as it should be.

Saskatchewan may be in the process of reaping the economic rewards, heretofore restricted to our eastern brethren. But we are not going to make the same environmental mistakes that they have. Increased production and new developments will only proceed if these meet stringent guidelines for air and water quality.

One of these development areas with which we are most concerned at the moment is generation of electrical energy. While the Churchill River Study is no longer the sole financial responsibility of our department, we are, nonetheless committing \$1 million for the completion of that study, \$609,000 in Saskatchewan's Environment budget request and \$391,000 assigned to the Department of Renewable Resources and Tourism.

The Churchill River is not the only location the Saskatchewan Power Corporation proposes for developing new energy generation facilities. Other sites have been suggested, hydro generation facilities at Elizabeth Falls and on the Saskatchewan River near Nipawin, thermal sites in 'the Willow Bunch — Coronach area and an extension of the Boundary Dam Project.

Mr. Speaker, the Saskatchewan people, however, want to know what the environmental costs would be to develop these sites. They want to know the possible effects and the trade-offs which may have to be made. It is the mandate of my department to assess what these costs will be and to present them to the people of this province prior to any decision-making by the Government. During the year ahead we shall be stepping up studies in the Estevan area where guidelines are needed for environmental restoration and protection of the strip-mined areas. We shall also be examining the implications of extending the use of these coal resources for the Boundary Dam generation facility.

March 14, 1974

In the Willow Bunch — Coronach area, we shall be examining the environmental implications of a possible new thermal generating facility.

In the Nipawin and Elizabeth Falls area we shall be looking at the potential effects of proposed hydro dams.

I want to make it abundantly clear, Mr. Speaker, that in all these studies assessment will precede development. Pre-decision impact studies of energy generation proposals originated in this province and we will continue to set a national standard in that area.

Mr. Speaker, there is another important area of environmental study for which we are planning intensive activity in the year ahead. That is the area of forest harvesting practices. Forest harvest practices in northern Saskatchewan have for some time been recognized as an area of environmental concern. In the year ahead we shall be assessing the environmental impact of cutting practices, building of access roads and reforestation practices. To carry out such studies we have allocated \$80,000.

Mr. Speaker, there are increasing stresses and strains in the area of water management. We are using more and more surface water. We are drilling more and more wells. One area where water supply problems are painfully obvious is the Souris Basin. The City of Weyburn is deeply concerned about its future water supplies. Estevan residents worry about the availability of water for new development. Flooding and water quality problems are also concerns of some residents in the Souris Basin. There again, Mr. Speaker, we are confronted with the fact that the Souris River is both an interprovincial and an international waterway. This means that the most effective action cannot be taken by Saskatchewan alone.

Once again, Mr. Speaker, Ottawa seems reluctant to make a decision to join with Saskatchewan and Manitoba for a comprehensive study of that river basin. But once again, Saskatchewan cannot afford to wait and, therefore, Saskatchewan will proceed this year to do what we can within the limits of our provincial jurisdiction and financial ability to start a comprehensive study of water supply and water quality problems in the Saskatchewan portion of the Souris Basin.

SOME HON. MEMBERS: — Hear, hear;

MR. BYERS: — In the area of overall environment protection, water pollution control, air pollution control, and land protection, we have concentrated our initial efforts in accumulating basic information on the quality of Saskatchewan's air, land and water resources. We propose to increase information — collecting in all three sectors in the coming year. But we also propose to step up action based upon the information we now have on hand.

One area for which I want to pay special tribute to our environmental protection staff is their increasingly effective training program for municipal water and sewage works operators. As of this year, 157 operators from over 100 communities, ranging in size from small hamlets to large cities have received this training and upgrading. The need for trained men is obvious when sophisticated new equipment is now being used

by Saskatchewan communities to protect our waterways.

Mr. Speaker, in the field of air pollution we have completed inventories of all the large and some of the smaller communities in the province. Last month we released a report on Saskatoon. And we will be releasing reports on other communities in the months ahead. We have investigated complaints and maintained continuous monitoring around potentially worrisome industrial installations. But more regular monitoring and more intensive monitoring of problem areas is needed. We shall be purchasing additional monitoring equipment for checking the trends of air pollution against the inventory levels calculated to date, and! for stopping trouble before it gets out of control.

Mr. Speaker, we also need additional equipment for continuous sound level monitoring in order to cope with noise complaints.

In the area of land protection, Mr. Speaker, it is not enough that we have successfully launched the first comprehensive ban on non-returnable beverage containers in Canada. There are many problems of litter beyond empty bottles and emptied cans. Anti-litter legislation has public support. But those who may forget sometimes must be reminded. A program of anti-litter and protection notices in recreation areas will be started this summer. There will be stepped up programs of litter surveys and anti-litter education in the year ahead.

I want to say a word about lakeshore development plans because the use and abuse of our land resources is a growing concern of Saskatchewan residents.

Haphazard developments around our lakes, disappearing wetlands, questionable pasture improvement programs are concerns which I hear as I travel throughout the province. In the year ahead we will be co-operating with other agencies to undertake the preparation of development plans for Christopher and Wakaw Lakes.

We will be preparing environmental guidelines for pasture improvement programs.

We will be developing a wetlands policy to protect these valuable but disappearing resources.

Important in the long run is the continuing task of helping Saskatchewan municipalities handle the growing mountains of waste produced by today's affluent society.

We shall provide funds to our Saskatchewan Research Council for the purpose of examining practical recycling programs that can be realistically used by our municipalities.

Research, studies, legislation and regulations, Mr. Speaker, are only part of the key to successful environmental protection and management programs.

A critical component is public co-operation and participation. Our information and education program will be expanding their activities. In addition, we will be actively striving for more public input. A grant of \$15,000 will be provided to the Environment Advisory Council to undertake some of their own investigations based on their own priorities.

March 14, 1974

A survey of Saskatchewan residents will be undertaken to see if the environmental priorities we have are still the same as those held by Saskatchewan residents. The results of this survey will help guide our future program development.

Based on the enthusiastic response to a survey we conducted last year of municipalities and organizations, we will be developing a program for involving students, municipalities, and organizations in carrying out environmental protection programs funded in part by the Provincial Government. Program development will take place this year with implementation scheduled for 1975.

Mr. Speaker, environmental protection is not something that is restricted to our office. It is something we are promoting on a province wide basis.

In conclusion, Mr. Speaker, I want to thank the Members of this House for the almost universal support that you have given us during the years of launching and laying the groundwork for a viable Department of Environment. Let me thank the many businessmen who have co-operated in the job of keeping our environment healthy. Let me thank the many citizens who have backed us up in their efforts.

In particular, let me thank the media, the schools, the teachers and the students who have so enthusiastically accepted the concept of environmental protection as a priority educational concern. We have from the beginning tried at all times to run our department as an open department. We have stressed information and we have stressed public participation. We will continue to do so in the future.

Thank you for your patience during our beginnings, and for your support now that we are becoming established. I look forward to thanking you for your financial approval now that the time has come for action as well as for study.

Mr. Speaker, I will be supporting the motion.

SOME HON. MEMBERS: — Hear, hear;

MR. D. FARIS: (Arm River): — Mr. Speaker, I want to begin by commending the Government for the addition of the three new Cabinet Ministers, Wes Robbins, Don Cody and John Kowalchuk. There are no three Members in this House for whom I have more respect and affection than those three men.

I want to say that I am also extremely pleased with the work that Wes Robbins has done on this Budget. I would say that one of the most important items in it is the supplement for low income families. This is a program which will be announced tomorrow, I understand. It is a program that has identified a very serious problem and attacked it in a very responsible way.

The bulk of my speech however is going to be concerned with the Governments handling of the Liquor Report. And fortunately in my view this Report has been handled very poorly by the Government, I will be critical of that. I will also be critical of the structure and power of the liquor industry in this province.

On February 14, 1973, I tabled the Final Report of the Special Committee on Liquor Regulations in this House. The Report was the result of 18 months of work and some \$60,000 of public expenditure. The Committee visited every province from Quebec to British Columbia and half of the American border states. Public interest in the Report was widespread. The public reaction to the Report was generally one of opposition to further liberalization of the liquor laws and support for programs of prevention, education and rehabilitation. All 5,000 copies of the Report were gone within three months. In June of 1973 I asked the Premier to make more copies of the Report available to the public, but this has not been done. It is my view that the public has the right to this information, and the negligible cost involved cannot be considered an adequate excuse for failure to provide it.

The most significant recommendations in the Report pertained to the Alcoholism Commission and the Liquor Board.

On April 24, 1975 the Minister of Health, Mr. Smishek, Minister in charge of the Alcoholism Commission gave his views on the Report. He did this without having prior consultation with the Committee. And I may add at this time that after 15 months neither Mr. Smishek nor Mr. Blakeney have consulted with neither me nor any of the chairmen of the subcommittees on that report. In that speech last year, Mr. Smishek took a very defensive attitude. The Report stated that the Commission lacked financial resources, overall direction and effective management. Mr. Smishek denied these charges and declared that the program had grown at a "faster pace than any other provincial program". Why, he declared, the Budget had been increased 68 per cent in the last two years. Now, I don't doubt that it had increased 8 per cent in the last two years, but I would remind this House that if it had increased from 10 cents to 17 cents, that would be 70 per cent increase. The sad fact is that the program had started off with a budget of approximately \$500,000 in 1968 and Mr. Smishek was boasting that it had reached \$1 million by 1973, five years. The sad fact is that the liquor profits in 1968 were \$25 million and by 1973 they were \$40 million.

I find it pathetic to be proud that \$1 million was spent on alcoholism in programs in a province netting \$40 million profit. This year's increase to \$2 million is significant only in that it is the first decent increase since 1968.

I would remind Mr. Smishek that when he stood up in this House last year and boasted of the Commission's 15 in-patient beds — Alberta's Commission had over 60. When he boasted of the Commission's \$1 million budget, Alberta's Commission was approaching \$3 million. When he boasted of the Commission's staff of 46, Alberta's Commission staff was nearer to 300.

Last year Mr. Smishek stood up in this House and said, "I want to correct the impression that the Alcoholism Commission lacks financial resources, overall direction, and effective management." Mr. Speaker, Mr. Smishek did not correct that impression, he confirmed it and at the same time identified just where the lack of leadership lay.

The second recommendation that Mr. Smishek agreed with was that the Liquor Board and Alcoholism Commission should report to the same Minister. The logic for this recommendation is simple. The Liquor Board handles the sale of booze in the province, and

March 14, 1974

the Alcoholism Commission picks up the pieces. If the Liquor Board has policies which increase the consumption of alcohol, then this will clearly conflict with the Alcoholism Commission's stated purpose to reduce alcoholism. Both the Liquor Board and the Alcoholism Commission should be directed towards the same goal of preventing alcoholism. What does Mr. Smishek say to this? He says and I quotes

This it would seem to me, would place the Minister responsible in a position of conflicting interests. The implications of this recommendation suggest that the basic review of the Government philosophy regarding alcoholic beverages might be in order.

That is exactly right. There should be a basic review of the Government's handling of alcohol. In fact the Liquor Report was just such a review. And it said to anyone willing to hear, that it is ridiculous for Mr. Blakeney to be running around liberalizing liquor laws, lowering the drinking age, providing cheaper booze while the Alcoholism Commission spends money to prevent alcoholism. Mr. Smishek is to be congratulated for detecting this conflict of interest. He is not to be congratulated for suggesting that it continue.

In the long run, probably the most important recommendation in the entire Report is that there should be a social health pricing policy. Our Committee found that the increasingly cheap sources of alcohol were a major factor in increasing consumption. Our Committee's findings were supported by the findings of the Errol Committee in Britain. Even the Minister of Health in France, Mr. Michael Poniatowski suggested that the price of alcohol was a major problem. He said and I quote:

It is abnormal that the cheapest product in a cafe should be wine which is half as expensive as fruit juice.

I would draw to the attention of the Members in this House the relationship between the price of draft beer in Saskatchewan and a glass of orange juice in a neighboring restaurant.

What did the Minister of Health in Saskatchewan say? He said and I quote:

Working people respond to the increases in the price of liquor as if it were an increase in income tax, regressive tax at that. Some social drinkers after many years of consumption, have become attached to a particular brand with a given alcoholic content. It may be extremely difficult to persuade such a person that price increases especially in, say the price of beer, are protecting his health.

Now at last we know where Mr. Blakeney received his advice for his beer price fiasco. The Minister of Health, the one man in this House who should most represent the interests of health presents us with a classic example of the cheap beer for workers argument. Mr. Smishek may be correct, that is, you may still be able to buy votes with cheap booze, but I doubt it. But to hear that argument from the Minister in charge of the Alcoholism Commission, the Minister of Health, is almost unbelievable.

If that is not bad enough he goes on to say and I quote:

I suggest that a social health pricing policy will touch the tip of the iceberg. It is ten times more important that we persuade the Federal Government to first establish a more equitable tax structure to provide more assistance to the family of persons who are handicapped by the alcohol problem.

What on earth does this mean? Does it mean tax incentives for alcoholics — special welfare payments for alcoholics. And this silly notion is ten times more important than a pricing policy to reduce alcohol consumption and alcoholism! Humbug!

But Mr. Smishek is not through. He goes on to object to the recommendation that — and this is what the recommendation was, at least 10 per cent of liquor profits be spent on fighting alcoholism. That's not a maximum that's a minimum. It would mean at least \$4 million that year rather than \$2 million. What does he say and I quote:

If we follow through on this recommendation it is going to cost the Government a great deal more money.

After that brilliant conclusion he goes on to become even more confused. He talks about and I quote:

A fixed percentage funding allocation, (and concludes that this would imply) that increased consumption and revenue from the sale of alcoholic beverages should be encouraged so that more money can be allocated to treatment and rehabilitation.

The simple fact is, obvious — obviously our Committee did not suggest increase in consumption so that we could increase revenue. We did not suggest a fixed percentage funding allocation. We recommended at least 10 per cent. If revenues fall, as hopefully they might in the long run due to the pricing policy, the education programs, the percentage could be increased. It is quite clear that the Minister in charge of the Alcoholism Commission understood neither the pricing policy nor the profit allocation proposal.

But that's not all he didn't understand. He decided to score some political points on one of the rehabilitation recommendations. He said:

I make reference to the recommendation to extend the definition of approved facilities under The Mental Health Act, to include rehabilitation centres and holding units of the Alcoholism Commission,

Mr. Speaker he goes on:

I would personally not like to see people being committed to rehabilitation centres against their—will. Further regulatory authority of this kind, might serve to discourage people from coming forward for rehabilitation treatment and care. We are not going to be successful with shock tactics to reduce alcoholism.

Mr. Speaker, I congratulate Mr. Smishek on his rhetoric, but his argument is sheer nonsense. At present, chronic alcoholics end up either in prison or in mental hospitals. This recommendation says there should be an alternative. Chronic

March 14, 1974

alcoholics do not receive rehabilitative treatment in prison or in mental hospitals. They should be able to be sent to a pro—per alcoholism rehabilitation centre. This proposal is neither unreasonable nor shock tactics. It is a responsible proposal received with a note of urgency by the Committee from Dr. Saul Cohen of the Alcoholism Commission. Dr. Cohen has more knowledge and concern about alcoholics in his little finger than Mr. Smishek has in his whole body. To have this recommendation treated in this shallow political manner tells us a whole lot about what was to follow.

Having received the Liquor Report on which the Committee spent 18 months of work and \$60,000 of public money, what did Mr. Smishek do? He sat on it. He did nothing. In fact he left the Alcoholism Commission without an executive director for seven months. And those of us who were around the Commission during the study knew that the former director was leaving some two months before that. In fact on April 13, 1973, the Member for Cut Knife publicly raised the point that the position had already been vacant for some months. It was not filled until September. Seven wasted months. Seven months of low morale in the Commission. Seven months when there should have been planning and staff recruitment going on.

But in September the new executive director arrived. He is an excellent man with wide experience. He should have been given the responsibility for planning and for the recruitment of professionally competent staff. Instead, what was done? A special committee was set up with a majority of bureaucrats with little or no expertise in alcoholism. And who chaired this committee? None other than the Premier's speech writer, Jack Kinzel. Jack Kinzel is what is known as a political hack — his chief merit being that he will do whatever he is told to do.

One of the first decisions was that the Alcoholism budget should be increased by \$1 million. That decision was made in time for the Throne Speech. The program could not be announced at that time because there was no program. If it seems unusual to decide first how much to spend and then later how to spend it, it is usual! Apparently the Liquor Committee's persistence at least paid off in that regard.

But it is not only important that there be more money spent on the Alcoholism Commission it is important how it is spent. And how did Jack Kinzel decide to spend the \$1 million? Part of it went to the Alcoholism Commission, where it will be well used, and in fact, is not enough. One-half of it went to the so-called alcohol education program to be retained, strangely enough, in the Department of Health.

The Alcoholism Commission has had an education division ever since 1968. Why did the program not go there? Mr. Smishek may correctly argue that it is understaffed. He is right, but he has had three years to correct that situation and he could have strengthened it anytime during the past year.

Why keep the program in Public Health? There are two reasons that come to my mind. First, it is then more directly under Mr. Smishek's political control. Secondly, he can more easily shut it off at any time. He prefers safer topics such as V.D. I don't know anyone who is in favor of V.D. and I suggest that if warts become a popular problem you can look for a reduction in the alcohol education budget.

But even more disappointing to me is the fact that the Department of Public Health has no one with expertise in the area of drug education.

Then is one more point that I want to make before I turn to another subject. That is Mr. Smishek's failure to give leadership in the alcoholism field at the recent conference of Health Ministers. The Ministers agreed that alcoholism was a massive social problem. All we hear from Mr. Smishek was a plea for more federal money and we heard it again today. The Premier has been telling church groups in the province that he sees some merit in the alcohol pricing policies. I don't now if he has been saying the same thing to the breweries. But he has also been telling the church groups that there are serious problems with fully implementing the pricing policy in one province, and that is quite true in regard to the full implementation of that program, although it could be the gun in this province. Why the, does he not tell his Minister of Health to advance the pricing policy ideas at these national meetings of health minister, when this problem is raised? If he is sincere he should sit down with Mr. Smishek and explain the policies to him and tell him to forget his political games and start to tackle the alcoholism problem honestly.

Mr. Blakeney's speech on the Liquor Report was much more cautious than Mr. Smishek's. Most of it was spent in discussing the recommendations for further liberalization of liquor laws. Most of these he rejected. I certainly agree with that decision. He even went so far as to state, and I quote:

I endorse the Committee's objectives to bring about a reduction in the consumption of alcohol.

I was very pleased to hear him say that. While his words were encouraging, Mr. Blakeney's actions have not been consistent with those words. The first disappointment was his decision to refuse the public any further copies of the report. I consider that decision a serious infringement of the public's right to information and of this Legislature's right to have its committee reports freely available to the public.

Unfortunately this suppression of information was not limited to the Committee Report. On pages 36 and 37 of the report we recommended that the results of the research into the effects of changes in liquor legislation should be reported annually to the Legislature so that those who have made the laws may be aware of the results. This would enable the Legislature to respond more adequately to changing situations.

I invite the Members of this Assembly to read the reports of the Alcoholism Commission and the Liquor Board. Do you know that the report of the Alcoholism Commission nowhere estimates the number of alcoholics in Saskatchewan. Nowhere does it give you any information about the rate of increase of alcoholism in Saskatchewan. That information is in the report from the Special Committee.

Our Committee estimated that there were over 32,000 problem drinkers in Saskatchewan, of whom some 20,000 might be clinically defined as alcoholics. We made these estimates by using the Lederman and Jellinek estimation formulas. Nowhere in the Alcoholism Commission report are we given either these formulas or the data required to use them and to interpret them.

March 14, 1974

Rather we are treated to the Minister and Department of Health telling people that there are some 10,000 alcoholics in the province. The very conservative Jellinek formula estimated 11,000 in 1969 and 14,000 in 1972. Taking into account that it is a notoriously conservative indicator — particularly among the native population — we could at least hope that this Legislature would-be given some honest data. The Minister might also explain why he chronically underestimates the problem.

The same lack of data is seen in the Liquor Board Report. On pages 55 and 56 of our report, we gave historical tables of the value of sales, provincial revenue, gallonage of consumption and per capita consumption of alcohol in Saskatchewan. This information, along with the changing relative price of a unit of alcohol, should be given regularly, systematically, to the Legislature.

But look at the Liquor Board Report. Nowhere do you find any of this information in an up-dated form. If someone sat down to design a report to hide these facts they couldn't have done a better job.

And if I were the Minister who said, "I endorse the Committee's objectives to bring about a reduction in the consumption of alcohol," I would want the facts hidden too. The facts are that the past two years have seen a staggering increase in alcohol consumption in Saskatchewan and Mr. Blakeney has done nothing to prevent it.

Take, for example, the drug/health warning label which we suggested should be on every bottle and carton of alcohol sold in Saskatchewan. This suggestion had wide support in this House and wide support among the public. Perhaps they were aware that surveys had shown that nearly 70 per cent of the public did not identify alcohol as a drug. What happened to this recommendation? "The only people who I know opposed it were the Distilleries' Association and Brewers' Association. Yet 13 months have passed and there is no action.

What disturbs me most, however, is the Government's failure to control the liquor industry. I cite four examples:

1. The very strange form of justice when dealing with breweries.
2. The favoritism shown breweries in the bottle return regulations.
3. The beer price fiasco.
4. The failure to control breweries' activities relating to sports.

In October of 1972, one of the breweries was found to be very clearly and blatantly breaking Liquor Board regulations. It was announced that as a result brewery products would be delisted for a two month period. However, according to Mr. Blakeney's account, the president of the Brewery had the amazing wisdom to begin a meeting by offering to make a public apology. Apparently, the Premier was so deeply moved by this idea that he reduced the penalty by one-half. He reduced the two month delisting to a one month delisting.

I call that a very strange form of justice. I hope the • Members of this Assembly will all remember it when they are next before a magistrate for a parking ticket or whatever crime. You simply slip in a quick promise to apologize and not do it again, and presto, your penalty will be halved. The precedent; Blakeney versus the breweries; 1972.

In August of 1973 bottle return regulations were brought into effect. These regulations very obviously were unfair to small merchants and rural hotels. They very obviously were favorable to city hotels and the breweries. These unjust regulations had been pushed through our caucus in June, over the objections of the caucus committee of which I was chairman and against the advice of the bottle return recommendations in the Liquor Report. The Minister in charge of the Liquor Board was responsible for these regulations pertaining to beer bottles. In July I resigned as chairman of the caucus committee in protest against this blatant favoritism to the breweries. In November a resolution from Arm River constituency asking for a just commission system or depot system to replace the present unfair regulations was passed unanimously at the Provincial NDP convention. In the panel I made the unfairness to rural hotels and merchants, and the favoritism to the breweries abundantly clear. In the plenary session there was no way to even debate it. For not one person opposed the resolution. It is four months later and where are the new regulations? When will the breweries be required to pay the cost to bring their own bottles back just as soft drink companies are?

In October we were shocked to find that the Government had decided not to pass the increased price of beer on to the consumer. Mr. Stewart had a lot of fun with this and Mr. Blakeney's reply was;

Well, that's the way the Liberals did it.

I didn't hear this denied. And Mr. Blakeney went on to say:

We are going to have general price increases in January anyway.

The first point I want to make to the Members of this Government is that I did not campaign on the promise that we would do things the way the Liberals did them. That was not one of the promises on which we were elected! The second point that needs to be clarified is when Mr. Blakeney referred to general price increases in January, most of us thought he meant January, 1974. It is now the middle of March and I am not aware of any price increases.

Probably the most important aspect of the beer price fiasco was that it revealed the Government's utter disregard of the alcohol pricing policy recommendations of the Liquor Report Mr. Blakeney had said and I quote:

I endorse the Committee's objectives to bring about a reduction in the consumption of alcohol.

He showed that he understood the Committee's recommendations, unlike Mr. Smishek, but apparently Mr. Smishek was able to persuade him that any moves to bring in a pricing policy to control consumption would lose votes. Mr. Blakeney has been caught fumbling around with beer prices and neither he nor Mr. Smishek

have advanced these important policies at either the regional or national level.

MR. SPEAKER: — Order! I should like to draw the Hon. Member's attention to the fact that Members should not address other Members by names but by their constituencies or their position. I have tried to be tolerant, but I think that we must get back to the rules of the House.

MR. FARIS: — Once again, the only groups in the province to protest these recommendations were the distilleries and particularly the breweries.

Our Committee recommended that the Government watch carefully the activities of the liquor industry in relation to sports and young people. I have been approached by many people asking why the breweries are allowed to become involved in sports, in an obvious attempt to get the young people to drink as early as possible. There are a number of fine young hockey players from my area, who might become a credit to Canada if they don't become alcoholics first. Just read the Sports page. Hockey, Judo, Karate, Volleyball, and Baseball — if there is one sport the breweries do not sponsor; I don't know what it is. At the University there is even a Molson bowling league. Last year there were 24 teams — this year they had to add another evening. And why is bowling so popular at the University? The poster advertising the league tells you why and I quote:

Bowler dances and social evenings at Molson House where free Golden — Canadian etc. is served, are extra highlights for your enjoyment.

Bowling, plus booze, baseball plus booze, basketball plus booze, it is no wonder a 30-year old Canadian can't keep up with a 60-year old Swede.

There is one further example of brewery advertising that I want to draw to your attention. The issue is well stated in a recent letter to the Prince Albert Herald:

The new street banners on Central Avenue proclaim the coming of the annual winter festival. Most citizens look forward to this event with pride and enthusiasm. Many of us look with neither pride nor enthusiasm, however, at the prominently displayed name of the brewery which apparently sponsors the dog derby. In fact we object strongly to this banner and urge that it be replaced by a more appropriate one.

While we are not here objecting to people using alcohol if they wish to do so, we are objecting strongly brewery sponsorship of our festival events for several reasons.

Firstly, we object to the almost total identification of alcohol and sport which the industry had managed to convey through the clever use of their enormous resources even though alcohol so often destroys the very things sport seeks to encourage and develops

Secondly, our city bears so many tragic scars and

consequences of the overconsumption of alcohol that we can ill-afford any further encouragement to drink more. Our penal institutions, welfare rates, accident and crime rates all testify to serious overconsumption. We simply cannot afford increased consumption which is the only aim of advertising.

Thirdly, while our Government has wisely prohibited the advertising of alcohol, the brewery has deliberately manipulated the working, of this banner in order to avoid breaking the law. It does not seem worthy of our festival or our city to share such obvious word games. Why is it Molson's Dog Derby and not Prince Albert Winter Festival Dog Derby? At what price did we sell out?

Fourthly, since the Dog Derby has such a high rate of native participation it seems especially inappropriate for the brewery to sponsor this event. Alcohol has contributed far more misery than benefit to our North and their sponsorship seems in bad taste.

We could list other reasons but the point has been made. Instead of an attractive banner proudly announcing our Winter Festival, we have a cheap advertising tool of a gigantic multinational corporation (we understand Canadian Breweries is owned by Rothman's South Africa) which is manipulating a worthy local event for its own profit. It stretches like a scar on our city centre reminding us of our still open social wounds.

If it cannot be taken down then let it be a reminder to all of us that alcohol is still our number one drug problem and alcoholism is our most serious social problem. Let us remember that there are well over 10,000 alcoholics in Saskatchewan and 100,000 people affected adversely by problem drinking. Let us remember the cost in millions of dollars and the misery that alcoholic abuse is bringing to our city, our province and our nation.

If the brewery truly wants to help our city and our festival, let it give money or service quietly and with—out fanfare, or distasteful banners on Central Avenue.

Harvey Murphy.

That letter is from Harvey Murphy and Mr. Murphy is the Minister of Calvary United Church in Prince Albert and the president of Saskatchewan Conference of the United Church. I would draw this to the attention of the Member from Prince Albert West (Mr. Steuart) who might want to concur in Mr. Murphy's views.

Why are the Alcoholism Commission and the Liquor Board operated in such a shabby manner? Why are most of the central recommendations of the Liquor Report concerning the prevention of alcoholism ignored? Why, after spending 18 months and over \$60,000 is the Liquor Committee ignored? Why, in a period of 13 months, since the report was tabled, have neither the Minister in charge of the Liquor Board nor the Minister of Health consulted with the members of that Committee?

The answer is that you cannot very well listen to what our Committee was saying in regard to prevention, education and the operations of the Liquor Board and to the breweries at the

at the same time. The liquor industry in Canada is a \$2 billion business, \$1 billion dollars worth of private business and another billion dollars worth of government profits.

There are, in Saskatchewan, five breweries, one winery and one distillery. Two of the breweries belong to Molson's. They are part of the 38 separate corporations owned by the Molson's conglomerate. Two of the breweries are called Carling's and O'Keefe's and they are owned by the Rothman's group of South Africa. The fifth brewery is owned by Labatt along with Labatt's other holdings such as hatcheries, pipelines, McGavin Toastmaster, Parkdale Wines and a share of Brascan, this is part of the 65 Labatt holdings.

Saskatchewan breweries are part of three conglomerates which between them own or control 158 corporations. The Winery in Moose Jaw has recently become part of this octopus, as I believe it is now owned by Canadian Breweries, part of the Rothman group. The distillery has also recently changed hands. The last report I had showed that although the governments of Canada and Saskatchewan has put up 85 per cent of the money, the Government of Saskatchewan held only a 12 1/2 per cent interest in this plant.

These large and powerful corporations not only exert pressure through the public, through their employees, and through others who make money, or hope to make money through alcohol, they are also large scale political contributors. It was no accident that Mr. Thatcher was both Minister in charge of the Liquor Board and Liberal Party Treasurer. Why is Mr. Blakeney Minister in charge of the Liquor Board?

If you are a farmer and you have a problem you sit down with Mr. Messer. If you are a co-operator and you have a problem you sit down with Mr. Cody. If you are the president of a brewery and have a problem you sit down with the Premier.

I would estimate that in the last provincial election the liquor interests in Saskatchewan contributed some \$50,000 to the NDP and \$100,000 to the Liberal Party. These are only estimates and are probably conservative. How can these donations be stopped? How can the power of these corporate giants be limited? It is obvious that the government controls do not work, not so long as the corporations control the governments. Both parties can deny that they accept these contributions, but that is not true.

One political party may say, "We will no longer accept these donations," but even if they could be trusted, as long as the other party accepted them, the corporations would merely see that hundreds of thousands of dollars went to defeat a party that scorned them.

The only answer is that all alcohol manufacturers in Saskatchewan must be publicly owned. This proposal is not new. The General Council of the United Church of Canada proposed it in 1944. The General Council reaffirmed this decision in 1956. The special commission of the church in 1960 stated:

Whereas it is now apparent that the immense financial revenues behind the liquor traffic constitute the greatest obstacle to its being handled effectively, this Council hereby approves of the principle of nationalization of the alcohol industry. The profits thereto should be so

applied as to avoid corrupting governments or entrenching the traffic behind public revenues. Nationalization as a means to eliminating the profit motive and private monopoly control should not be regarded as a final solution of the liquor problem but as a forward step toward such solution.

Nationalization would not be a panacea, a magical cure for the rising rate of alcoholism. It would have to be accompanied by a public policy to reduce alcoholism through a pricing policy and a massive honest drug education program, but it would provide a structure to allow an honest approach to the problem.

Some people might object to nationalization on the grounds that the government should stay out of the alcohol business. The 1960 report answered this objection by stating bluntly, and I quote:

As a matter of fact the nation is in it now, not only through the fact that so many are users of alcoholic beverages, but also through the dependence of governments upon taxes and the large sums paid by brewery companies to the party in power and the official opposition.

Mr. Speaker, until the structure of the liquor industry is changed; I do not expect honest and meaningful changes to be made in government alcohol policies.

Mr. Speaker, I wish to conclude by reading to this House, a letter that I received from Marilyn Edge, a 19 year old girl who comes from Loreburn in my constituency.

January 11, 1974.

On May 5th, 1975 I was the unfortunate victim of a car accident near Macrorie, Saskatchewan. It happened on a Saturday night about 10 p.m. on highway 45. I was driving along in my 1964 Volkswagen when all of a sudden I saw two headlights coming directly at me. In a matter of seconds I realized I was lying on the floor of my car bleeding badly and I saw bones of my legs protruding through my jeans. I was in terrible pain. The next thing I remember is waking up in the Intensive Care Unit at St. Paul's Hospital in Saskatoon. My injuries were as such: two completely fractured legs with compound breaks, three fractured ribs, one crushed foot, internal injuries, a twisted spine and concussion. I spent five months in the hospital.

I had many operations which involved much discomfort and am now in a condition where one leg is shorter and the other leg is badly twisted. It will take a great deal more surgery to correct this, providing it is possible at all. I was 19 years of age when the accident occurred and as far as I am concerned, it has completely ruined my life. I had my high schooling at 17, took a business course and was just beginning employment. I know that many people have accidents and they try to make the best of it because it can't be helped. I am also trying to make the best of a bad situation that could have been prevented. It was absolutely unnecessary for this accident to take place if people in your position would try to make the effort. You see, the person who drove into me, was a

19 year old and impaired.

When Judge A. C. McMurdo was handing out the sentence, he stated that the fine imposed would by no means bring back my young life nor would even the maximum penalty deter this same young man from going out and doing the very same thing over again. He also said that it is his belief that our governments in their extremely lax and apathetic attitude for not setting up greater deterrents for would-be murderers on our highways and also for allowing minors to consume alcohol and making it easier every year by lowering the drinking age are the people who are 'really responsible. As long as our governments place finances above people's lives, we will have more and more cases such as this, he said. Therefore, you are directly responsible for what has happened to me. Yes, you and all your government members because it is you who could be doing something about this and you are not.

I understand you have been a church minister. This should make you more aware than ever that God not only holds us responsible for what we do but also for what we do not do. Therefore, I am hoping that you will question the motives of your government in respect to the liquor laws and do what your conscience guides you. I hope it will be something concrete and worthy of your position.

Mr. Speaker, following receiving this letter, I went and visited Marilyn and talked to her about it. I believe, basically she is right.' I believe that Members of this Assembly on both sides of the House, are responsible. We have here the right and the power to lead an attack on alcoholism. People across Canada are looking to Saskatchewan for leadership. Our Committee Report said that the major question is whether or not a government or governments have the courage to undertake such action. If not Saskatchewan, where else in Canada will you find people with the depth of human concern to tackle this problem.

If not the New Democratic Party, which other party would have the courage to tackle the vested interests and put humanity first. Mr. Speaker, I will continue to fight for an honest thorough going attack on alcohol abuse in Saskatchewan.

I will be supporting the Budget because I believe, in general, this Government is attacking the real issues. I do not honestly feel that they are attacking this issue, I am very sorry about it, but I will be supporting the Budget.

SOME HON. MEMBERS: — Hear, hear:

Mr. T. M. WEATHRALD: (Cannington): — Mr. Speaker, when the Member for Arm River (Mr. Faris) first gave his maiden speech in this legislature, we, in the Opposition were critical, quite critical, of the attitude which at that time he displayed. Today, I think he is deserving of our praise.

SOME HON. MEMBERS: — Hear, hear:

MR. WEATHERALD: — Mr. Speaker, having been a back bench Member for some years myself, I think it is safe to say that a Member who is a back bench Member only gives this type of a speech after he has exhausted all other sources which he feels are available to him and I think that he is most deserving of comment for the courage that he has displayed.

Mr. Speaker, I want to dwell on some other matters in the Budget that I think are of some importance.

First, I want to talk about the lack of economic development that I think the NDP Government has been providing for. I want to talk and bring to the attention, the statement made by the Minister of Finance on page 7 of this Budget. I think I should like to quote, at this time, what he says, because, Mr. Speaker, I am convinced that in this Budget it is obvious to anyone who looks at it carefully that Saskatchewan is treading a very, very narrow path, this is extremely prosperous at the moment but could easily find itself in the position of not being so.

Mr. Speaker, our prosperity today, in Saskatchewan, is practically totally due to the world demand for raw materials in both agriculture and minerals. The Finance Minister says on page 7, and I quote:

Personal income for '73 is estimated at \$3.4 billion, up 25 per cent from the previous year. The large increase is explained almost entirely by the significant increase in farm income and an estimated 10.1 per cent in labor income.

The Minister goes on to say that the number of people with jobs this past year, increased by 8,000 persons. Going on in his quotation:

An important offshoot of the increase in retail trade was the creation of 7,000 jobs in the trade sector.

Mr. Speaker, it is this particular figure of 7,000 jobs that I wish to bring your attention.

The Finance Minister in saying that he has created 7,000 jobs in Saskatchewan in the retail trade, which all of us must admit, are jobs based on other prosperity, jobs based on a person earning wages in another segment of the economy or in agriculture, that a job based in the retail trade, is a job that can easily, and quite possibly, disappear very rapidly in the future. If you add to the 7,000 jobs the Minister speaks of in the retail trade, if you add to this that; over some 1,000 jobs were created within the Civil Service, then very rapidly you have reached the figure of 8,000 new jobs, which the Finance Minister speaks 'of as having been created in the Province of Saskatchewan last year.

This means, Mr. Speaker, to us, that last year not one new job in Saskatchewan was created in the manufacturing sector. It is obvious that in all likelihood there is a reduction in the number of jobs in manufacturing and in industry in the Province of Saskatchewan, in a year that was an extremely prosperous year. This is where our province's future obviously lies and it is obvious that the NDP policies in this regard, for the

March 14, 1974

three years that they have been in office, have drastically failed in creating jobs in the industrial and manufacturing sector of our economy.

We have, in the Opposition, said for some time now since the NDP was elected, that the NDP policies were not able or capable of attracting industry to Saskatchewan, and it is extremely obvious now. Obvious by the Minister of Finance's own words that this is the case. Even under current buoyant economic conditions, the policies of the NDP Government, in creating jobs in the manufacturing industry, jobs which will be there in the future, have utterly and absolutely failed in our province.

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — I, along with many others, Mr. Speaker, would not be at all surprised if there is a downturn in the agricultural economy and that jobs in the retail trade will be rapidly wiped out. It is obvious that the uncertainty created and the ill—founded policies we have experienced in the past three years, has been drastically hurting business investments that would have created new jobs.

Uncertainty in the forest industry, Mr. Speaker, because last year the NDP Government failed on or passed contracts that had been made. I would suggest to you that regardless of what the Government opposite says, that the operations of Simpson Timber, MacMillan Bloedel, the Prince Albert Pulp Company and the Meadow Lake Sawmill, have contributed more in the forest industry, and were brought here under the late Premier Ross Thatcher, than any single thing that the Government opposite has even come close to doing.

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — Bill 42 in the last few days as has become obvious is causing great concern in the oil industry, that is reducing investment, reducing exploration and reducing badly needed jobs in many smaller communities such as Estevan and communities much smaller than that.

We have had consumer protection laws that the Member for Lumsden (Mr. Lane) frequently mentions that have the result or the possibility of closing business for five days. Not too long ago we had The Family Farm Protection Act, which I have yet to hear one Member name one person that The Family Farm Protection Act actually helped in our province. There is one thing for sure, Mr. Speaker, it certainly did a great deal of damage to many small implement dealers and credit unions throughout our province.

AN HON. MEMBER: — Name one Tom-

MR. WEATHERALD: — Well, I could give you names of quite a few and I would be very pleased to. There are quite a few if you ask, and you will find that they lost anywhere from \$1,000 to \$3,000 to \$4,000 because of that particular Act.

Mr. Speaker, the Government persists in talking about nationalizing the potash industry. Today, the potash industry

is moving into an extremely prosperous period, yet, Government policies are uncertain in this field and the potash industry is unable to look to the future in developing investment, developing jobs with any certainty of what the rules of the game are going to be.

The Succession Duty Act, Mr. Speaker, has also had the effect of reducing jobs in the province. The Succession Duty Act has made it extremely difficult for people to invest substantial amounts of money without being concerned about the future tax that could be levied against their estates. The result, of course, has been debated many times in this Session and in previous sessions of the Legislature, that we have lost investments to other provinces as Alberta, where there was no concern needed to be expressed.

All of these, Mr. Speaker, have reduced investment in this province and has resulted in less and less jobs. And what has made it worse, Mr. Speaker, is that this is in a period of prosperity in our province when investment is available, pools of capital are available for investment for creation of jobs and manufacturers for our local residents.

The second point, Mr. Speaker, that I want to talk about at some length is the wasteful expenditures that are obvious throughout this Budget. I believe that a legitimate question that most people of Saskatchewan should ask of this Budget is, what are we really getting in this Budget that warrants a 24 1/2 per cent increase in expenditures? I think it is obvious in most cases that we are not getting much of anything.

I want to take a look at a quotation on page 14 of the Budget. The Minister goes on to say:

Mr. Speaker, hog production is a complex business. There is no substitute for experience. For this reason, over \$100,000 is provided in the estimates to enable new operators to consult with experienced hog producers.

Mr. Speaker, all that I want to say to the Minister of Finance is that experienced hog producers have been willing to offer information to the inexperienced for a long time and we never had to have \$100,000 to get us to do it.

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — I hope that this program has a lot more in it than it would appear to have in the Budget Speech that has been given by the Minister of Finance.

We are going to spend \$50,000 in the development of a Sheep Marketing Commission. I have no objection to a Sheep Marketing Commission if the people who produce lambs wish to have it. But still a \$50,000 expenditure would work out, last year, to nearly 50 cents for every lamb that was produced in the Province of Saskatchewan. We marketed in the province last year 105,000 head and we are going to spend \$50,000 on the Sheep Commission this year. It seems to me that there must be some better management and administration than to have 'to spend \$50,000 on this type of development. I'm sure a little better administration could do it for a much less amount of money.

March 14, 1974

The administration costs of the Land Bank is a sheer scandal. It's a disgrace at \$1.9 million. Per farm, Mr. Speaker, I have worked this out to being approximately \$2,000 for every farm that is being managed by the Land Bank. I think this in itself is an utter disgrace and an example of mismanagement, poor management and just generally wasteful expenditures on the part of the Government, in administration. Surely we can manage; the Opposition has on many occasions and will continue to point out its objections to many aspects of the Land Bank.

But, surely if the Government is bound to carry it on that we could manage the Land Bank on a much more efficient manner than for something like \$2,000 per farm that is for administration purposes.

The administration costs this year for FarmStart is up to \$158,000, 63 per cent. The Marketing and Economic Branch administration in agriculture is up \$358,000 or 70 per cent. It's no wonder, Mr. Speaker, that my colleagues say when they read the headline in the paper that the amount of money spent for agriculture had gone up a substantial amount that the farmers would receive little benefit for the increased expenditures.

Much of this Budget is not going to economic development, job creation in the future or capital investment. It is disappearing in administration bureaucracy and increased civil service costs.

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — I want to cite you one more example. The Premier's office this year is up in cost \$148,000 or 26 per cent and Mr. Speaker, this comes on top of a whopping increase last year.

This Budget is full of increased expenditures in every department that the people of Saskatchewan will receive little benefit for. There are many things that the Government should have done instead of squandering this type of money.

First of all, Mr. Speaker, this money could have gone for some very useful purposes. The money should have gone to help people in the low income groups, who are experiencing a financial hardship today, partly brought about by inflation. Part of this Budget should have been spent to reduce taxes for low income people. The Minister has spoken often about the indexing system. Certainly the provincial tax levy which is a very substantial proportion of the income tax, could have been reduced as far as low income people were concerned and I think that this would have been a very useful and worthwhile expenditure.

I think also of the tax on children's clothing, which the Member for Hanley (Mr. Mostoway) mentioned. I can understand that there could be some administrative problems but the Province of Manitoba seems to have worked this out and it would certainly appear that if we wished to help low income families, that tax on children's clothing could have been removed, as has previously been done in other provinces. So I would suggest, instead of so many wasteful and wanton

expenditures that some of the money in this Budget should have gone to reduce the tax loan on low income people.

Instead, Mr. Speaker, we in Saskatchewan, as my colleagues have pointed out are still taxing low income people and the Province of Saskatchewan is collecting taxes from low income people that pay absolutely no tax whatsoever to the Federal Government.

The Minister of Finance (Mr. Robbins) has such disdain for tax reduction that he even goes on on page 32 and he moans about the federal system of indexing personal income taxes. Because, he says, "it will reduce," and I want you to take note, Mr. Speaker, his reason for moaning that the federal system of indexing personal income taxes is because, "it will reduce Saskatchewan revenues by \$6.3 million in 1974."

Well, Mr. Speaker, I want to congratulate the Federal Government, because they say . . .

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — Because the Federal Government saved all the people of Saskatchewan \$6.5 million, because if they hadn't brought the indexing system in, I'm sure the Minister of Finance would have collected it all and spent it and we would never have seen it again. He even goes on to say that every province in Canada was against the indexing system. Well, I guess they were, because they loved to have the system where Ottawa collected all the tax and gave it back to them to spend. I want to tell the Minister, the provinces can now collect the tax if they want to and they can get right to it, any time they wish.

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — Mr. Speaker, this Budget has to be a disappointment in another respect. First, however, I want to offer congratulations to the Government for their assistance to urban municipalities and local governments. This has been something started many years ago and I think..

SOME HON. MEMBERS: — Hear, hear;

MR. WEATHERALD: — Well, Mr. Speaker, it's not exactly a precisely new idea. Even the old CCF helped build a few grid roads. It's not precisely a new idea, but I do compliment them for the amount of money put in in this category. I think that local governments are finding there are going to be some tradeoffs and that the \$10 per capita grant isn't really quite \$10, it may be \$7.50 or a little less, once they deduct the police costs from it and once they deduct a few other sweeteners on snow removal and so forth. But in any event basically, it's a good idea and I think it's a step in the right direction.

I do want to say a few words, however, that I am disappointed about in this respect. I am somewhat surprised that some of the Members on the Government side who have many small towns in their constituencies haven't mentioned it.

March 14, 1974

I want to take for example, the community of Eston where I think one of the Members on the Government side resides. I understand, Eston is about 1,500 persons, if you take Kindersley, about 4,200, Elrose is about 500, Regina is about 140,000. But under the capital grant system for building of new capital buildings, Mr. Speaker, Eston will receive some—thing like about \$112,000 in five years. Kindersley will receive \$315,000, based on the \$75 per capita grant, Elrose would receive about \$37,500 and Regina will receive about \$9.8 million over the five years.

My point, Mr. Speaker, is that I think the method of calculation discriminates somewhat against the smaller communities. The reason I suggest this is because I think that it is equally obvious in a community such as Elrose or Kindersley or if you wish to compare Moosomin or Carlyle, that you would find that most of these communities give the same type of basic service. A community such as Kindersley or Eston serves the basic similar type of needs of the people who reside in the area. I'm sure one community needs a swimming pool as much as the other, one needs a curling rink or a skating rink as much as the other, one needs a town hall as much as the other, and I suspect that for much of rural Saskatchewan that this is where a substantial amount of these capital grants, which I suggest is a good idea and fully support, will go.

I think it is somewhat disappointing though that many small communities that do need to provide these basic services will financially be left out in the dark as compared to others. I say, certainly they are better off than they were before, but I fail to see why one community of 3,000 as compared to a community of 1,000 should receive three' times as much money.]

AN HON. MEMBER: — Hear, hear;

MR. WEATHERALD: — I don't think they will be building anything in Parkman, so I wouldn't — but I would think that the Member, I would be surprised if the Member for Eston (Mr. Owens) didn't think that Eston should get as much as Kindersley for a town hall or a rink. Now, he may not think that but I think he should.

I suspect the rural people will decide whether something is going to be built, because they put some money up too. If Parkman wished to put some money up, well, they should get a grant. I don't think that Moosomin should get three times as much money as Carlyle, if you really want to know. I don't see any reason why they should, I don't see any reason why Regina should get ten times as much as Moose Jaw.

I think a much better formula could have been worked out and I think it should be worked out. The Government could sweeten up the pie a little next. year, if you wish to give somebody for basic services that much more money than the other fellow, that's fine, but I think that much more equity could have been built in the system. Categories of sizes, as the Member for Wilkie (Mr. McIsaac) suggests certainly could have been used.

I would suggest, Mr. Speaker, on that, that in another year payments should be made somewhat on a sliding scale with recognition that many communities although they vary in size, that

they do provide the basic services, similar basic services and I think it would equalize their financial assistance to a much better extent.

I want to in summary, Mr. Speaker, just say that I will be supporting the amendment, but I will not support the Budget. I will not support this Budget because..

SOME HON. MEMBERS: — Hear, hear:

MR. WEATHERALD: — because I think that this was an opportune time for low income persons to have received tax relief which the Government did not see fit to do. I would not support this Budget because money is going, Mr. Speaker, not towards creating more jobs, but creating more bureaucracy.

Having studied this Budget, I thoroughly believe that any person who believes that they should receive value for a dollar spent would be utterly outraged at such waste and extravagance that is obvious in this Budget. It is with this in mind that I will have no difficulty, Mr. Speaker, in voting against the Budget presented but will be supporting the amendment.\

SOME HON. MEMBERS: — Hear, hear;

MR. J. G. RICHARDS: (Saskatoon University) Mr. Speaker, undoubtedly the most moving statement we shall have heard today in this Legislature is the speech from the Hon. Member for Arm River (Mr. Faris). I have had my differences with that Member within the New Democratic Party and outside, however, I think it quite appropriate at this time to add my . . .

MR. SPEAKER: — I would ask the Hon. Member to at least stand up in his seat please and not put his feet on the chair.

MR. RICHARDS: — All right, Mr. Speaker. I think the Member did a service in indicating that alcoholism is not solely an individual question, of individual choice and that as long as governments remain linked to the interests of the breweries and the distilleries, it will be impossible to pursue a consistent program. I reject, however, and I think I should like to make this clear at this juncture, any personal imputation against the Minister of Health (Mr. Smishek). I think that should be explicitly stated.

Mr. Speaker, in 1973, things were obviously up in Saskatchewan. Per capita income went from \$2,700 in 1972 to \$3,700 in 1973. Farm net income doubled \$430 million to, according to the Budget, \$990 million. Value of oil and gas production went from \$224 million up to \$266 million and the profits from that went up by 26 per cent from \$108 million to \$136 million. Undeniably, 1973 was a year of economic prosperity in Saskatchewan for the agricultural industry. And this reflected itself, Mr. Speaker, in the Budget. It reflected itself in a self-satisfied optimism I would argue, which is most immediately present when one just looks at the form of the Budget. From the humble little blue book with which we have become familiar it has escalated into the glossy brochure as the symbol of

March 14, 1974

self-satisfied optimism of this province.

It's a new appearance, easily rising budgetary revenues, 25 per cent rise in the capital budget for Highways. The Government doesn't see any necessity to give out and estimate the export tax earnings or the funds to be earned from the \$1 royalty surcharge which may mean up to \$200 million in annual revenue, not reported in the Budget. It's a rare instance where governments don't report the sum of \$200 million on the positive side.

Mr. Speaker, there is one very positive program that I think at this juncture deserves explicit isolation for credit. Namely the Family Improvement Program. I understand that the thing is far from administrative neatness, nonetheless, I believe that a move towards the guaranteed annual income is a move towards increasing the bargaining power of the ordinary working person of Saskatchewan, by putting a floor under him and that is the kind of income floor which the workers should have in this province. It's a commendable expenditure of \$10 million for which the Government deserves credit.

But, Mr. Speaker, the predominant attitude of this Budget is summed up in the first page when the Hon. Wes Robbins, in making his statement said, and I quote;

The Budget brings to fruition the New Deal for People — virtually complete. Not in five years, Mr. Speaker. Not in four years. But in three.

Mr. Speaker, that statement sums it up. The Government opposite assumes in its thinking that it's done its job, that it's fulfilled the mandate and the promises which elected it in 1971.

Has it? Was the New Deal for People satisfied with a situation where three-quarters of northerners are earning less than \$4,000 for a family of five, which according to Government figures is the 1973 income for people in northern Saskatchewan, north of the DNS line? The New Deal for People explicitly stated that the New Democratic Government would end government collaboration in the potash cartel. Did I hear reports floating around that International Minerals and Chemicals is earning a 29 per cent annual rate of profit, under the cartel condition which remain roughly unchanged since 1969?

Mr. Speaker, the New Deal for People talked about rural stability, but what we have is the boom part of a boom and bust cycle which seems no closer to being solved than it was in the 1930s. As Professor Sayer stated recently, far from leveling out the year to year fluctuations in farm income, they are getting worse. For the time being it's in the right direction. The fluctuations have gone up from the disastrously low levels of 1969 and for that I am grateful. But it seems if we could only get per capita income for farmers up to the national average, at the expense of world starvation on a massive scale, then this surely is a condemnation of a system in which we live. And so we've gone up to the \$5 wheat, we have the farm costs rising, we have the fuel costs rising, we've had land costs rising, and what happens when we come to the next crunch, Mr. Speaker? We've had the farm exodus of population continuing despite some creative programs in the Department of Agriculture. The provincial population in 1971 in June, when this Government

assumed office was 926,000. According to the latest Statistics Canada Report, October, 1973, it was 906,000, for a drop of 20,000. We are still losing 1,500 to 2,000 farmers a year from the land.

Mr. Speaker, the New Deal for People talked about encouraging community health centres and as a major transformation of the method of delivering health care. And what do we see but the collapse of one of the major community health centres which was in place. Namely that in Regina.

The New Deal for people said that we would oppose any further sellout of our resources. And it talked about priority to public ownership and what have we got continuing? We've got Gulf Minerals hiring only southerners by insisting on having hiring halls in Saskatoon. We've got the bitter irony of Cluff Lake Uranium Mine, privately owned, in some sense it's even publicly owned inasmuch as it's partly owned by the French Government. We've got basically private uranium development which is potentially producing uranium for French nuclear weapons. Is this the end to resource rip-off which the Government talked about?

On the national scene we had a net 'drop in real wages by three per cent, last year. We had wages going up by six and inflation going up by nine. By simple calculations that means real wages going down by three. And that was a phenomenon which took place in Saskatchewan as well as in the country.

And this inflation, Mr. Speaker, nine per cent—according to the consumer price index, and if you do a poor people's price index you'll find that poor people spent a larger proportion of their income on items such as food, shelter, items which have gone up disproportionately fast in the last 12 months, so the poor people's price index has gone up even more than nine per cent. In this situation with real wages of workers dropping we have Mr. Lewis playing out the logic of his position, a logic which for all my attempts to analyze it honestly I think merely amounts to being a ginger group to the Liberal Party. Mr. Lewis is the Waffle to Mr. Trudeau and Mr. Lewis is continuing to lend his support to a government which seems to be incapable of stopping the real income of workers from going down.

Mr. Speaker, having gone through that litany is it a just conclusion that the Minister of Finance drew to say that the New Deal for People has been accomplished, the promise has been fulfilled that we should be satisfied with the policies that we have? Mr. Speaker, the Liberals have been out on a limb to defend the interests of the Independent Petroleum Association people. They have gone out surely on one of the more ludicrous political adventures which any political party in Saskatchewan has ever undertaken. Admittedly, exploration is down. I think the appropriate analogy is like saying, you've got wheat having gone from \$2 to \$5 with farmers complaining that they can't make a living income unless they've got \$10 • wheat. Doubtless there are farmers who couldn't make an income unless wheat prices went to \$10. I don't think anybody in his right mind is arguing that we have to have \$10 wheat as the immediate policy to be pursued. But taking that analogy back to oil where oil prices have gone up \$2.40 in 1972 by a third to \$3.40 in 1973. We've got the Independent Petroleum Association people, saying, we expected prices to go up to \$6.

March 14, 1974

How can we expect to make money if there is only an inflation of 30 per cent? And yet the Members come into this House and they talk as if these Independent Petroleum people were going bankrupt if we really had nationalized the oil industry.

Mr. Speaker, this NDP Government appears to be content to smother the political seed with a warm dish rag. Mr. Speaker, as opposed to each according to his ability to each according to his need, we've got each according to the power of his lobby. If you do have a powerful lobby, if you're the chiropractors, for example, you could run 50 per cent over your budget and calculate it in negotiations and there is no hue and cry. Chiropractors' net incomes can go from a budget of \$20,000 to \$30,000 and there is no screaming, there is no fireworks. If you don't have a powerful lobby your income will stay as it is in northern Saskatchewan, below \$4,000.

So, Mr. Speaker, admittedly times are good in 1973 according to the aggregate indices and if we are content to look at the aggregate indices and be satisfied with these aggregate indices, just to talk about the per capita income, just to talk about the oil profits having gone up, then we should be satisfied. But surely faced with the bankruptcy of federal leadership coming out of all federal political parties Canada has a need to generate political leadership which is not that self-satisfied and it will have to generate it at the provincial level because it is not certainly coming from Ottawa.

Mr. Speaker, I should like now if I may to state a few words about some particular departments although I will have more to say on these in detail at a later time. With respect to the Department of Northern Saskatchewan, the Attorney General (Mr. Romanow) rose in his place and he gave what I thought to be perhaps the best case that could possibly be made on behalf of the Department of Northern Saskatchewan as a legitimate attempt to reform the North, to bring income levels up to the Canadian average, to end the state of colonial subservience of that half of our province. It would be more convincing if the Minister himself (Mr. Bowerman) had made the statement but nonetheless the Attorney General made the case that the Government didn't mind opposition, it welcomes it as a phenomenon of maturing political consciousness, it was pleased to see demonstrations, sit-ins, petitions, etc., all of which was evidence of a livening up and awakening in the North.

Mr. Speaker. I have a few questions which I should like to pose. I don't want to give neat, definitive answers, I just like to pose them. Mr. Speaker, if that is the philosophy behind the Department of Northern. Saskatchewan, why is it that the civil servants who most closely embody that, the new civil servants who have gone to the North since 1971, are discouraged, disheartened and leaving? Why, Mr. Speaker, if that is the philosophy of the Department was the deputyship entrusted to Mr. Churchman who has been responsible for the administration of the Department of Natural Resources, Colonial Empires in the North in the early 1960s? Mr. Speaker, why is the Métis Society in such violent opposition to the Government if indeed there is that spirit of desiring criticism?

Mr. Speaker, the Budget makes reference to priority for economic development in the North and indeed there is an increase from 16 to 40 positions in the Economic Development Division. What kinds of people are going to be involved here?

Are these going to the civil servants sitting in La Ronge? Are these going to be people going out and working with native people? Will there be local control for economic development projects in the North? Why, Mr. Speaker, last year when there was \$100,000 in the Estimates for economic development grants, I understand there was actually one grant made for the sum total of \$20,000? So what does it mean when we are now seeing a budgeted figure of \$500,000 for economic development grants, \$500,000 out of a total of \$28 million, incidentally, is that going to be a significant program of economic development in northern Saskatchewan?

As to the social development, I understand that there won't be community health workers in the budget this year and the question is why?

Turning to the Department of Health, I repeat the hope that I have had for many years that there will one day be a prescription drug program and I'll leave it at that. I will make one further reference to the question of community health centres. Admittedly there have been some new community health centres but these have been in communities of least resistance, communities which have had their hospital facilities closed, which were desperate for any health service. I see no thrust within the Department of Health to use the model of the community health centre, the idea of integrally using para-medicals and doctors, the idea of lay involvement in the decision-making process within the health institutions, the idea of getting away from solo medical practice. I don't see the embodiment of Hastings ideas coming out of the Health Department.

The Highway Department, Mr. Speaker, is always a subject for repartee in any Legislature. I see that the capital budget has gone from \$48 million, increased by 25 per cent to \$60 million. Undoubtedly this will make many private contractors rich and happy, doubtless we can pave the province and we may yet re-elect a lot of MLAs.

Turning to the Department of Mineral Resources which is always a disaster area and I am afraid this year is no real exception.

SOME HON. MEMBERS: — Hear, hear;

MR. RICHARDS: — The Department of Mineral Resources at least has the benefit of a clear internal philosophy. The philosophy of the Department has always been, our job is to represent the mighty interests within the Government. It is a clear mission, blinkers are on the senior bureaucrats, they're worked their nails to the bone as they take this vital message into the internal workings of government. Whether it be a minor thing like who is to control the Occupational Health Program, whether it be a major program, shall we do anything about the outrageous profits being earned by the industry, the bureaucrats in the Department of Mineral Resources put their heart and soul to the task of making sure that nothing will be done which will in any way turn against the interests of the mining companies.

In general over the years under the CCF administration, the Liberal administration and now the NDP they got a remarkable degree of success. It is certainly to the credit of the

March 14, 1974

Government that in introducing the legislation for the Energy Bill they paid not a whit of attention to the advice coming out of the Department of Mineral Resources and instead relied upon some expertise from outside of the Department.

Mr. Speaker, last month I was anxious to learn a little of this Saskoil Corporation. I noticed that the then Minister of Mineral Resources (Mr. Thorson) as an introduction of Bill 92, the Bill enabling legislation for the Corporation, stated that:

I want to say, Mr. Speaker, that Saskoil will be created as quickly as enabling legislation is passed.

The Minister laid great stress on the urgency of getting this Corporation off the ground so that we would be able to do something about the role that private corporations are playing in oil. So I phoned up the Department of Mineral Resources, it was a good place to start, I thought. I got the major switchboard and they shuffled papers around a bit and said, "We've got a number here somewhere," which I duly phoned and I said I should like to get a hold of Mr. Berg, the manager who was appointed nine months after the passage of the legislation and I managed to get an office on the Regina Campus, which was Professor Vigriff's office. He has the significant and glorious title of Chairman of the Board of Directors of the Saskatchewan Oil and Gas Corporation. That title may be about the most impressive thing going in that Corporation.

AN HON. MEMBER: — Does he still . . .

MR. RICHARDS: — Yes, he has still got the title, it is a good title. So you phone up the Chairman of the Board of Directors of the Saskatchewan Oil and Gas Corporation in his office in the Regina Campus and you ask, where is the Manager of this Corporation and you discover that he is in Calgary, actually. So you get a number for Mr. Berg's home in Calgary and you phone Mr. Berg in Calgary and you discover that Mr. Berg may be in town next week. So when he comes to town next week you may be able to discover what is going to happen to the Saskatchewan Oil and Gas Corporation.

MR. STEUART: — He's busy printing buttons.

MR. RICHARDS: — I'm afraid button printing was pre-empted for them, they can't even do that.

Now, Mr. Speaker, in a somewhat more serious note, it is one of the indices of the success of the programs of the Department, I would argue, there is only one index, the extent to which the public succeed in getting revenue from the industry. Back in 1966 the then Liberal Government earned 17 per cent of the value of oil and gas sales — 17 per cent. This could hardly be called exorbitant taxation. By the time they left office in the last complete year of operation or in Government, they were earning 13 per cent of oil and gas revenues. Clearly the Liberals were not intent upon the need to capture the rents as Eric Kierans would say, to capture the profits which were being earned in the oil and gas industry.

Then we come to 1971 and the New Deal. The New Deal which

was going to end the resources rip-off. In the first year of operation, 1971, that percentage continued down to 12 per cent and last year, according to the figures contained in the Budget, that figure dropped a further percentage point to 11 per cent. And so despite all the rhetoric which has gone on about appropriating for the people of Saskatchewan the fair returns from the resource industries, the record is that the percentage of oil and gas revenues going to the public in the form of royalties, bids and other government revenues had dropped both in absolute terms from about \$34 million to \$28 million, according to the figures contained in the Budget, and it dropped in percentage terms from 17 per cent to 11 per cent.

Mr. Speaker, this brings me to one of my favorite topics that of oil and I should like to argue with some understanding, I hope, some fairness about what I perceive to have been the evolution of events in the last several months. Prices rose, obviously, in the oil industry very dramatically from November 1972 to the imposition of the price freeze. To take another index as opposed to just the straight price increase, I was out on a farm last February looking at accounts and per acre fuel costs had risen from 57 cents per acre to 72 cents. The profits using CPA figures were \$1.60 a barrel and for a barrel of oil which Saskatchewan sold for an average of \$3 in 1973, costs were \$1.60. And since we were last here I have done some discounted cash flow rates of return which I trust would give us a somewhat more objective indication of what has been the possibility of this industry over the years.

I want to discuss this in more detail at a later time, Mr. Speaker. If we use the CPA figures about exploration and development expenditures since 1947 and if we assume that the oil industry got not a penny further revenue from that expenditure, that rate of return that it has earned to date, in internal rate of return calculations, is 11 per cent. To give you some comparison, that is twice the average for all corporations in Canada. Mr. Speaker, that would be equivalent, that rate of return, to the Government nationalizing without any compensation the oil industry tomorrow and it got not one penny for the 800 million barrels of reserves in the ground. It would have already recovered its entire investment and made 11 per .cent.

If, as a second base, it did not spend a further penny on exploration and development and the price did not rise above the present frozen level of \$3.38 a barrel and it exhausted the 800 million barrels which are in the ground now, it would earn a rate of return of 14—per cent on its entire investment since 1947. Approximately three times the national average. However, where the figures become truly phenomenal is if we calculate the rate of return which the oil industry is going to earn from here on in from the depreciated value of its assets which are still in the ground. It costs approximately 65 cents a barrel to discover the oil in the ground, the appropriate capital value for that is in the order of \$500 million, assuming \$3.38 a barrel revenue and assuming constant costs which seems reasonable since Bill 42 contains provisions to increase \$3.38 according to operating costs. Assuming these figures, Mr. Speaker, the rate of return from here on in is between 37 and 66 per cent, depending upon the assumptions you make. That is 37 to 66 per cent annual rate of return that the oil corporations are going to earn on the oil in place in place right now in Saskatchewan.

March 14, 1974

Now then, Mr. Speaker, obviously the export tax and the price freeze and many events which occurred last fall precipitated some government response here. We had this Energy Bill, the essence of which was the imposition of a royalty surcharge, which we find to be the difference between the international price for oil and the then frozen price.

Theoretically, Mr. Speaker, given current imported prices of \$10.50 per barrel in Montreal, this could mean a royalty surcharge of up to \$7.50 per barrel and a \$650 million surcharge in total, three-quarters of the Budget. Obviously, in Ottawa the government negotiated something a good deal less, one dollar a barrel plus a continuation of the 50 per cent of the export tax.

As I said before, and I think it's even truer today, one can't read the Energy Bill as a piece of legislation in itself, it's a bargaining tool which the Government took to Ottawa and a bargaining process which has gone on with the Federal Government. And there is a certain justice in the position which has been taken by the Government. The Government obviously wanted this piece of legislation to yield as much royalty surcharge as possible, but as the price remained, for Saskatchewan oil at the frozen price, there was going to be no revenue yielded at all. If the price remained frozen at \$3.38 a barrel, the difference between \$3.38 and \$3.38 is zero. Therefore, the Government argued Saskatchewan should be able to sell its natural resources at world prices. Coincidentally to do that and thereby earn the \$650 million which would be feasible to earn from the royalty surcharge, would mean \$700 per capita in Saskatchewan, which happens to be just about exactly the difference between the per capita income in Saskatchewan in 1972 and the national average. There seems to be some justice in that situation. However, the Government has made common cause with Alberta. To apply the same formula to Alberta is obviously outlandish, inasmuch as it yields a fantastic sum of \$2,700, calculated on a per capita basis.

And the Government has failed, and failed repeatedly to distinguish its position from the position of Alberta. In Alberta, the Cabinet Ministers there repeated and publicly made statements to the effect that whatever revenue they get they will basically pass back to the oil industry in one form or another. If not in subsidies for exploration they will then plow it back into the tar sands, they'll give it back to the oil industry. For Alberta to get up and explicitly make the case to sell Canadian domestically produced oil at world prices therefore has a rather obscene and hollow ring. It's much easier if Saskatchewan gets up and makes the case. Unwittingly Saskatchewan seems to have been prepared to do so. Saskatchewan seems to have been prepared to stand up and make the simple case which in isolation for Saskatchewan had merit, that of selling our oil at world prices, but which in the national context does not have merit.

Now, I'm sure that if we take the Premier's speeches and the speeches of the Minister of Mineral Resources (Mr. Cowley) and we look at the footnotes, we will find some appropriate qualifier. We do find, for example, the Premier in Peterborough talking about the need for public ownership. I give him credit for having made the statement, made the statement publicly, but I would argue that the thrust of the Government's position, as it had been perceived across the country has been to make

common cause with Alberta, to make common cause that Canadian oil should be sold at world prices and it has failed clearly to argue what are the implications of that and that is not good enough.

The Premier has talked about excess profit taxes, the Premier has talked about new equalization formulas, yes, but that has not come across. Given the failure of the Federal Liberals under MacDonald and Trudeau, to argue a policy of nationalization of the industry, it impels them, if there is any sense of social purpose or socialism in this Government here, that they take the lead, that they be prepared to argue coherently and consistently the position for nationalization of our energy resources and not only to argue the case because one Saskoil in operation as an integrated publicly owned Crown corporation supplying the oil needs of Saskatchewan is worth a thousand radical speeches by the Premier, by me or by anybody else. We have no federal leadership on this issue. Is the NDP Government in Saskatchewan prepared to take that leadership, to give that leadership? And until and unless they do, I think the Government stands accused of the accusation which I made earlier of smothering politics with a damp dishcloth in trying to reduce Saskatchewan politics to the level of a town hall.

Mr. Speaker, the essence of the question of oil is whether the public, Canadian working men and women, control it. Secondary is the question of how we distribute the surpluses earned from it. In some sense that must remain a pragmatic question which people should answer, not on the basis of lawyers, discussions and distortions on the British North America Act nor the pragmatic basis of which level of government is coming forward with socialist programs of scope to justify the earning of large new revenues.

For example, this Government is not today coming forward with major programs to end the colonial poverty in northern Saskatchewan. If it were doing so it would have a better claim for that oil revenue.

This Government is not coming forward with major programs to solve the gnawing problem of continuing erosion of rural communities. The Minister of Finance in response to a question the other day referred to the Land Bank as \$50 million expenditure out of land valued in total at \$5 billion. A little elementary arithmetic means that's merely one per cent and the Minister was proud to say this was not a major program which was disrupting the situation. Oh, and I would quite agree.

It is not a major program which is doing anything to disrupt nor to change the situation in rural Saskatchewan. I wish it were. . Mr. Speaker, in order to end the problems of rural decay, one of the primary things which we need is the ability as a group, as a province, as a people, to control the most important of our resources, namely land.

The Assembly recessed until 7:00 p.m.

MR. RICHARDS: — Mr. Speaker, I seem to get more interruptions from the clock than I do from anybody else in this House, I trust we can do something about it.

Mr. Speaker, I was drawing to a conclusion, arguing the

March 14, 1974

case, first, that unwittingly the Saskatchewan Government is playing the role of front man for the Alberta oil industry by its manner of presenting the case for high oil prices in conjunction with the Government of Alberta. And I want to argue that the question of who should get the revenues from oil, who should control the natural resources and trade therein, is a point not to be settled by reference to the British North America Act and constitutional niceties. It is a question, although important, on a secondary level. And I break it into two questions.

One, the question of price and secondly, the question who is to get it, who in the sense of what level of government, is to get the intended revenue.

The first question I would resolve simply. I do believe in high prices, primarily for environmental reasons, secondly in order to replace, to cover the cost of replacing more expensive alternate fuel. However, with respect to the question of who should get the revenue, I remain pragmatic, I remain to be convinced. I will be convinced that the Government which should get the revenue is the Government which comes forward with major socialist programs of scope.

Such programs in Saskatchewan should involve ending the northern colonial poverty. A second program which I think deserves the public political attention over this decade, is that we must transform the revenue from a wasting resource, oil into a permanent heritage. I would suggest one massive program that should be entering into the public debate now, is the use for the large oil revenues which this year alone can be budgeted at \$200 million. This revenue should be used, I would argue, to launch a program of land assembly on a massive scale. Not the scale as implied by the Minister of Finance in answering the question the other day, but a program that could imply that within a generation there would be public ownership of the land of Saskatchewan. I admit that is a minority position to argue at this juncture, but thereby we could eliminate interest payments, interest payments which incidentally are the highest single farm cost item. \$88 million in 1972, for example. The largest single item in farm costs. We would be able to collectively as a province to determine the pattern of pricing of land we thought socially desirable. And in order to prevent, I would argue, one large public land holder in Regina, being substituted for present ownership patterns. You would have to have greatly strengthened local government which would be able to administer such land assembled. Nonetheless, Mr. Speaker, unless the debate on our oil, and about who gets the revenue is linked to such programs, I think the argument is sterile and merely involves the exchange of bigger and bigger numbers which mean nothing to the average person, which mean nothing in transforming the way we actually live.

Mr. Speaker, before I take my seat, I should just like to conclude by stating it doesn't matter seriously what I or what anybody else in this Legislature says about this Budget, about alternate programs, the final decisions will depend upon whether the people of Saskatchewan are content to use the wealth which fortuitously has come our way in the last twelve months allowing PIG grants to double, to increase the size of the Highway budget and so forth, or whether we are prepared to take this risks involved in trying to define socialist policies for Saskatchewan and Canada.

therefore, Mr. Speaker, I will oppose the amendment, but in good conscience I feel I must abstain from supporting the original motion.

SOME HON. MEMBERS: — Hear, hear!

MR. K. THORSON (Minister of Industry and Commerce): — Mr. Speaker, I want, before taking part in this debate on the Budget, to congratulate those three Members who have recently been appointed to the Cabinet, the Member for Melville (Mr. Kowalchuk) and the Member for Watrous (Mr. Cody) and of course the Member for Saskatoon (Mr. Robbins) who is now the Minister of Finance. And particularly to commend him for his presentation of the Budget which launched this debate.

Mr. Speaker, when people in Saskatchewan, in political parties, talk about economic development for this province and when people across Canada talk about economic development in various regions of Canada, I think it would be helpful if they would keep some basic economic facts about Saskatchewan in mind. Let me set out some of those facts.

Saskatchewan has 37 per cent of Canada's productive agricultural land. It has more than 10 per cent of Canada's fresh water area; it has about six per cent of the land area that's contained within the provinces of Canada, excluding the territorial areas.

But, Mr. Speaker, after those large' or relatively large figures, 37 per cent of the agricultural productive land, 10 per cent of the fresh water area, some of the other economic facts are not so encouraging for Saskatchewan. For instance, we have just over four per cent of Canada's total population, within this province and it is a notorious fact that across Canada in recent years, in the recent decade, Saskatchewan is the only province where we have continued to lose population, year by year.

In 1972, Saskatchewan had only 3.3 per cent of Canada's personal income, even though we had more than four per cent of Canada's population. And one of the facts and figures we should always bear in mind is that of all the provinces in Canada Saskatchewan has only one and a half per cent of the secondary industry of the whole nation.

So we should keep those basic economic facts in mind when we talk about economic development in Saskatchewan, when we talk about regional development in Canada. Because if we bear those facts in mind we will know why this Government has taken the position that our best hope for industrial development is to tie it to our agricultural resources. To do more processing of our primary products, particularly our primary agricultural products within the borders of Saskatchewan, before these products are sent to markets throughout the world.

When we talk about the disparity between our region and other regions of Canada, we should bear in mind that even though we have four per cent of the population, our people have just over three per cent of the personal income and only one and one half per cent of the total industry in the whole nation of Canada.

March 14, 1974

Now despite those facts, Mr. Speaker, recent economic indicators in Saskatchewan are encouraging. Let me just run through some of these. The total net value of all production according to Statistics Canada, based on 1972 results and 1973 estimates, indicate we have gone from a total of \$1.7 billion worth in 1972 to over \$2 billion in 1973. A 25 per cent increase.

The value of shipments of manufactured goods in Saskatchewan rose more than 22 per cent between the year 1972 and 1973. The value of retail trade is up 10 per cent in 1973 over 1972. Housing starts in Saskatchewan in 1975 number 6,386, which is 51 per cent better than in 1972. And according to Central Mortgage and Housing Corporation, the increase was actually more than 38 per cent in centres in Saskatchewan with populations of less than 10,000 people, which is encouraging for the smaller centres throughout the province.

We have also been fortunate to see in 1973, an increase in the employment in Saskatchewan. Although our labor force remained about constant between 1974 and 1973 as measured in January of each of those years at about 342,000, the actual number of people employed and working is much higher in January of 1974 than it was in January of 1973.

It is not true as the Member for Cannington (Mr. Weatherald) suggested this afternoon that jobs in manufacturing are fewer in 1974 than they were in 1973. And indeed Statistics Canada indicates that manufacturing jobs rose from about 20,000 in 1971 and, in 1972 to about 23,000 in 1973. Unemployment statistics are much more encouraging than they were one year ago. The number of people actually employed in January of this year by Statistics Canada latest survey is 327,000. A year ago in January it was 318,000. Our unemployment rate seasonally adjusted for January, 1974 is 2.8 per cent in Saskatchewan compared to 4.5 per cent in January of 1973.

Mr. Speaker, against that background, of course, the Budget has been prepared. And as the Minister of Finance set out last Friday we see the value of those improvements in our general economic conditions so far as government programs are concerned.

Before I sit down I want to mention some that are of particular importance to the people of Saskatchewan. Let me just say briefly now something about each of the respective agencies in the Government for which I have a particular concern and responsibility.

First, in the Department of Industry and Commerce it will be noted that when we get to dealing with the Estimates that there have been increases budgeted for in the amount of money to be spent and particularly in the number of staff people to be working in the Department of Industry and Commerce. There are a number of branches to the department. The three most significant ones are undoubtedly the Industry Development Branch, the Research Branch, the Trade Branch; I should say perhaps the four most important ones are those three plus the Business Assistance Branch. I should have liked to be able to say the Tourist Branch is included in the group, Mr. Speaker, but that is to be transferred to the new Department of Tourism and Natural Resources at the commencement of the fiscal year of April 1, 1974.

In the Industry Development Branch, Mr. Speaker, we have been placing heavy emphasis on promotion of industrial development in matters such as food and related products, industrial materials and non-renewable resources, on various kinds of consumer goods and on machinery and equipment manufacturing. In all of these there has been some measure of success in the past in Saskatchewan but we feel that there is a long way to go and more to be done. We are encouraged by the prospects that are opening up in the way of market opportunities in all of those areas.

We have been short, Mr. Speaker, of proper economic and applied research in industrial development in Saskatchewan. So the budget for that branch of the department is to be increased. I ask Members to note particularly that there will be about \$400,000 budgeted for feasibility studies of various kinds of which half is to be contracted with our own Saskatchewan Research Council. When we get to the Estimates I shall deal with some of the more important aspects of research in an applied sense which give hope for more economic and industrial development.

Our Trade Branch, Mr. Speaker, has been working quietly with such programs as Aid-to-Trade in the past year. We think that is catching on with more and more people who are looking to develop markets for products produced in Saskatchewan but to be sold to consumers outside of the province. Along with the people in the Trade Branch in Regina, of course there is the Agent General's office in London which is now staffed by Mr. Ted Boden who was formerly the vice-president of the Saskatchewan Wheat Pool.

In the Business Assistance Branch in the fall of 1973 we placed the first field staff with six business reps located around the province and this year in the new fiscal year we expect to put at least two more such people into service at points outside of the city of Regina. I may say, Mr. Speaker, that although it is too soon to make a really complete evaluation, the work of these people in the regions of the province I think is very well received by the members of the business community, particularly in the smaller centres of the province.

Now let me just say a word about the Saskatchewan Economic Development Corporation. We shall have a chance undoubtedly, Mr. Speaker, in Crown Corporations Committee, to consider the results of its efforts in 1973.

The Members will be interested to know that as a result primarily of a change in the terms of reference for the Saskatchewan Economic Development Corporation in August of 1972, we had increased the number of loans because now businesses other than just industrial processing businesses are eligible to apply for SEDCO loans.

In 1972 the total number of loans granted by SEDCO or loans and guarantees together was 58. But in 1973 that had increased to 118. The total value of this kind of assistance in 1972 was \$14.6 million. But in 1973 that had risen to over \$39 million. Members will also be interested in knowing the distribution of this kind of assistance as between rural areas of the province, the smaller cities and the two largest cities. In 1972 there were some 30 loans made to businesses located in rural areas outside of the cities in Saskatchewan. In 1973

March 14, 1974

that had increased to 47. In 1972 the smaller cities in Saskatchewan had eight loans. In 1975 that had increased to 19. And in 1972 the two largest cities had 20 loans, but in 1973 Regina and Saskatoon applicants for SEDCO loans received some 52 .out of all of the loans that were granted in that year.

Mr. Speaker, I think SEDCO without a doubt is playing an increasingly important part in the economic life of the province by offering financial services not only by way of loans but also by taking equity positions with some of the clients of SEDCO. We are trying to improve the organization of the Crown Corporation so that it can deal more quickly and readily with applications for loans and so it can take more initiatives in economic development opportunities that are available to clients of SEDCO both by way of joint venture and by way of assistance to people in the private sector who are taking initiatives on their own.

Now, Mr. Speaker, let me spend a little time on the third agency which I wanted to mention tonight and that is the Saskatchewan Power Corporation. It is traditional in the course of debate on the Budget Speech for the Minister responsible to indicate the number of towns in Saskatchewan which are to receive natural gas service in the forthcoming construction season. That is a tradition which I think has been carried on since at least about 1953 in the Province of Saskatchewan, just about a year after the gas system began to extend service to the people in the Province of Saskatchewan. Last year I gave some particular details about the development of that system under public ownership in the province over that 20 year period.

Let me follow the tradition by indicating in 1974 the plans of the Saskatchewan Power Corporation and the Government call for the expenditure of something over \$3 million in capital works to bring natural gas service to 21 additional communities. That compares, Mr. Speaker, with the program in 1973 when we spent almost \$3.5 million bringing natural gas to 31 communities.

The following are the communities that are to receive service during 1974. Let me just list them quickly: Broderick, Loon Lake. Then a group in the southern part of the province: Hodgeville, Vanguard, Neville, Pambrun, Schoenfelt, Blumenhof and Blumenort. In the area between Saskatoon and North Battleford communities of Radisson and Borden. Over on the other side of Saskatoon: Middle Lake, St. Benedict, Pilger, Lake Lenore, Annaheim and St. Brieux. And to the south and east of Saskatoon, north of Regina, the communities of Stalwart, Liberty, Penzance and Holdfast

Mr. Speaker, before I sit-down I want to say something about our anticipations with respect to costs in the Saskatchewan Power Corporation and the implications that may have for electric rate charges and gas charges in the future.

Before doing that, let me just say a word about the matter of electrical generating capacity in the Saskatchewan Power Corporation. We calculate that electric consumption in Saskatchewan for the next decade at least will increase at roughly about six per cent each year. A year ago we made a decision to proceed with the construction of unit number six at the Boundary Dam generating station at Estevan. That unit will be about

twice the size of the three previous units. The construction on that is to begin in 1974. It is expected that it will be in service in 1977. We are presently installing a peaking generating station at Landis, Saskatchewan, and these two projects together should, at the rate of increase in consumption, provide adequate generating capacity for the Saskatchewan Power Corporation and its customers to about the end of 1979. Beyond that time it will be necessary to have additional generating.

The Corporation and the Government are in the process of assessing, the various alternatives that are available to meet that increasing need for electricity in the 1980s and beyond. One of the potential sources of electric generation is on the Churchill River system in Saskatchewan. The Members will know that more than 40 years ago hydro-electric development came to the Churchill River system in Saskatchewan with the plant that is still in service at Island Falls. It is calculated that there is a larger potential available up-stream from the Island Falls plant and that potential hydro-electric development is being assessed in various ways both from an engineering and economic point of view and also from the point of view of the environmental impact and the social impact of such a development.

I want to repeat what has been said many times by my colleague the Minister of the Environment that his Department is responsible for carrying out these studies on environmental impact, social impact of such development. We have announced that when these studies, which are currently underway, have been completed in the field and the information has been compiled, they will be made available to any member of the public who wants it. We have also committed ourselves to holding public hearings on that kind of prospect and development. I want to emphasize that it is only after that process has been completed, the studies, the public hearings, that the Government will be in a position to make a decision about whether to proceed or not to with the development of Churchill River hydro beyond the point of its development today.

May I say, Mr. Speaker, that there are other alternatives available including more thermal plants in southern Saskatchewan at locations at perhaps around Coronach and Willow Bunch; more hydro development of the Saskatchewan River system, and we are also of course evaluating the possibility of exchanges of power with our sister jurisdictions and the possibility of establishing nuclear power plants in the future.

Mr. Speaker, let me say to no one's surprise that I intend to support the Budget. Those who vote for it will be voting for improved agricultural programs, for, increased industrial development efforts by the Government, for a great emphasis on tourism and cultural development and will be voting for better educational services. Our total education budget will be increased by at least \$35 million in this coming budget over last year. We will be voting in favor of a greatly increased financial assistance program to local governments in Saskatchewan. We will be voting for the beginning of a comprehensive dental care program for children in the province. We will be voting for a more progressive taxation system: a shift away from collecting public revenues from property owners and on the basis of per capita payments. And a greater emphasis on collecting public revenues from individuals and corporations on the basis of

March 14, 1974

ability to pay. Perhaps most important of all, Mr. Speaker, this Budget in 1974 marks the commencement in Saskatchewan of a very real start on income redistribution with the family income program which is to be announced in some detail tomorrow.

Mr. Speaker, for all of those reasons I am going to vote for the Budget. I regret to have learned that some people will not vote for those developments in the province in 1974.

SOME HON. MEMBERS: — Hear, hear:

MR. J. G. LANE: (Lumsden): — Mr. Speaker, we were wondering when the Hon. Member was going to get around to talking about the Budget. It certainly reflects the natural reaction of Members opposite to avoid talking about this particular Budget. There has been no better proof than this particular Budget of the New Democratic Party's inability to solve problems unless it has a huge treasury. There is no better proof than this Budget that the NDP intends to do absolutely nothing to build a diversified economic base in Saskatchewan. And there is no better proof that the NDP have failed over the last three years to encourage economic development than as I say this very Budget.

SOME HON. MEMBERS: — Hear, hear:

MR. LANE: — To quote the Budget itself:

Cash receipts from farm operations reached an estimated all time high of approximately \$1.5 billion. This reflects higher receipts from grain and a 30 per cent increase in receipts from livestock. The realized net income of farmers is estimated to be in the neighborhood of \$884 million . . .

Personal income is estimated at \$3.4 billion, up 25 per cent. The large increase is explained almost entirely by the significant increase in farm income which rose to \$1.6 billion.

Obviously there is no bigger cover up of their failure to encourage economic development than this Budget. All increases in incomes come from segments of the economy over which the Government opposite has little control. None of these increases in income result from your efforts. As I have said you have failed to develop a strong non-agricultural economic base and the Budget is an admission of that fact.

I think the Minister's remarks on page four, paragraph two of the Budget Speech would be more properly read as follows, if I were to attempt to capture in a single word the essence of the Budget which I will label for you today. That word would be "non-development". The non-development of our economy and our resources; non-development of our people through progressive social reforms; and non-development of local autonomy through an unimaginative plan of non-assistance to local governments.

SOME HON. MEMBERS: — Hear, hear:

MR. LANE: — The Government attempts to blame Ottawa for inflation. Yet without a doubt, this Budget itself is inflationary.

The Economic Council of Canada in its 10th Annual Review calls for a restriction of transfer payments to individuals. The Council calls for controls on government spending so that the growth of government transfer payments to individuals not exceed an average yearly rate of approximately 11 per cent during the period 1973-76.

Yet, the Government opposite raises welfare alone 19 per cent in one year and is forced purposely to deceive the people about the number of people on social assistance.

The Council further recommends that an effort should be made to find means of reducing payments based on the number of dependents under social programs such as assistance and you do just the opposite. The Council especially emphasizes that such payments should not be increased too rapidly in a period of strong economic activity and yet you do the opposite.

The NDP Government of Allan Blakeney is now on record as opposing income tax reductions as a means of insulating the wage earner from inflation. The Budget is evidence of that.

While the Federal Liberal Government is trying to remove wage earners from the income tax rolls, the Government opposite has raised personal income taxes twice in three years. The Liberal Government raises the tax exemption by six per cent for 1974 and yet we have no tax reductions to insulate the wage earner from inflation in this Budget.

The Premier and his Cabinet oppose the tax indexing plan, I say, for a very good reason. The reason they oppose tax indexing is because it is embarrassing to them, very embarrassing to them.

SOME HON. MEMBERS: — Hear, hear:

MR. LANE: — When we have the taxpayers of Saskatchewan who have now received their tax guides for this year, we find that people with a taxable income of \$1,000 or less are paying more provincial tax than federal tax. That's why tax indexing is embarrassing. 175,000 people were removed from the tax rolls on the federal level, or will be in 1974, and yet nothing is done in Saskatchewan. Tax indexing in Saskatchewan would raise the number of exemptions of people exempt from taxation and yet you failed to do that — you are opposed to tax indexing, as I say, for a very simple reason, it's politically embarrassing and the people of Saskatchewan see the position of the Government when they fill out their income tax forms this year.

The NDP, of course, on a federal level, also oppose tax indexing, again, they oppose it because it's embarrassing, they oppose it because it is contrary to the NDP philosophy of using income taxes to hurt the small wage earner, not the rich corporate taxpayer as they promised the public they would do.

It's interesting to note that because of the NDP policies the higher your income, the lower your tax rate. It's surprising, considering the political statements of the Government opposite. In fact, the truth is, the NDP urge personal tax increases, they have raised them twice in Saskatchewan. The necessity for higher income taxes to pay for increased government expenditures was predicted by the Economic Council of

March 14, 1974

Canada and the NDP insist on proving the Council correct at least in this regard.

You say you would welcome a system which fairly compensated taxpayers for inflationary changes. Yet the Government opposite adds to inflation; yet the Government opposite have no policies or programs to fight inflation within its jurisdiction; yet the Government opposite goes contrary to all responsible advice and adds fuel to the fires of inflation in Saskatchewan and yet you raise personal income taxes for people on lower incomes.

SOME HON. MEMBERS: — Hear, hear:

MR. LAKE: — 41 per cent of all taxpayers in Canada are in the \$5,000 to \$10,000 income level and pay 41.6 per cent of taxes in Canada. And the NDP insist on adding to their burden while the Federal Liberal Government is trying to lessen their burden.

80 per cent of all personal income taxes in Canada are paid by people earning under \$20,000 per year, not by the rich that you constantly refer to. The Members opposite in the Blakeney Government have made it Government policy to add to their tax woes. A vote for this Budget, is a vote for increased taxes, and this, we in the Liberal Party, cannot do. This Budget is inflationary and will lead to higher prices and will lead to a higher cost of living.

The Council has made it clear and it is obvious to all that one of the main factors in inflation and high prices is the inflationary psychology. Workers are forced to catch up and try to get ahead, employers are forced to catch up and try to get ahead, so are retailers, manufacturers in all segments of the economy and so obviously is the NDP caught up in the inflationary psychology. You have exercised no restraint; you have exercised no fiscal responsibility. You've made not one single effort to fight high costs; you have simply added to the high costs and you have added fuel to the fires of inflation in Saskatchewan.

There is not one effort in this Budget to hold down prices, to hold down extravagant spending. I've said this Budget proves you have done nothing and have no programs to fight rampant inflation, and I say — just the opposite.

It's interesting to note what the NDP would do about inflation. There's nothing in this Budget, and it's interesting to see what they would do on a federal level.

A check of the index of the House of Commons Debates for the year 1973, we can look under the name Lewis, Mr. David, the Member for York South, who happens to be the NDP national leader. We look under the "I" in the index for Mr. Lewis' speeches and we check, Income, Income Tax, Indians, interest, Investment, Israeli-Arab Relations. Not one word about Inflation. No one by the Federal NDP. They don't have a program and they don't have a policy. We can check for the year 1973, The House of Commons Debates and David Lewis has not made one statement, one speech about inflation, the high cost of living, and the high prices. Not one. He has asked several questions about what the Government would do, but he has not proposed one constructive program or policy to fight high prices, high inflation.

SOME HON. MEMBERS: — Hear, hear:

MR. LANE: — The NDP are bankrupt provincially and bankrupt federally in dealing with the problem of the high cost of living.

There is nothing in this Budget to fight the high living costs. We, in the Liberal Party, have made some concrete proposals. We, in the Liberal Party, have called for the Government opposite to do an inventory of all farm supplies in Saskatchewan. This would prevent hoarding of such supplies as diesel fuel, antifreeze, batteries, tires, pesticides, etc. We do not feel that there are shortages of many of these farm supplies, but the farmers think there are and consequently are paying outrageous prices. We know that there are surpluses of many of these supplies in some areas of Saskatchewan and shortages in other areas. A Government inventory would prove that there are surpluses in the province and this would remove the upward pressure on prices. We, in the Liberal Party, have also called for a cost of farm production price review board to monitor and review increases in the cost of farm production and to call public attention to any unjustified price increase. We say it's time that this Provincial Government took action to fight high prices, and yet you have failed to do this in this Budget.

SOME HON. MEMBERS: — Hear, hear:

MR. LAKE: — The representatives of the Party opposite have no policies, no programs either provincially or federally and the Budget proves it; David Lewis' speeches prove it. Nothing Federal — nothing provincial, in fact, just the opposite. A deliberate attempt to create high prices and a higher cost of living. A deliberate attempt on the part of the Government opposite to reduce the net real income of the working people of Saskatchewan.

You talk about the development of social programs, but for the first time in this province's history we have a forecast of failure of social programs. Supposedly the Department of Northern Saskatchewan was established to solve the social problems in the North. But the Estimates prove that you have failed. You are forced to increase social assistance in northern Saskatchewan another \$500,000, an increase of 16 per cent this year alone.

You are forecasting failure and you are admitting failure. Your own words prove your failure in the North. \$1,000 will be spent for social assistance for every man, woman and child in northern Saskatchewan. "Development of progressive social programs", says the Minister of Finance. In fact, your program is regressive in northern Saskatchewan, not progressive. It's not a social program, it's an anti-social program. You failed, you're failing and you stand up and ask us to support this Budget. You ask us to support your degrading approach to northern Saskatchewan and to the high cost of living — this we will not support and neither will the people of Saskatchewan support this Budget.

SOME HON. MEMBERS: — Hear, hear;

March 14, 1974

MR. LANE: — There is one paragraph, Mr. Speaker, which is a surprising personal attack, I feel, on the integrity of the Minister of Finance. It certainly calls into question the very truth of the remarks of the Minister of Environment (Mr. Byers) this afternoon. What I am going to say I find frankly to be disgusting, not worthy of any Government. And I am going to quote the Minister from the Budget Speech:

The stage is now set for the early signing of a series of specific agreements which will launch action on a number of development opportunities — iron and steel, forestry, the Qu'Appelle Valley, mineral exploration, agriculture, tourism and urban and rural development.

Further:

In addition, we are producing a joint development program for northern Saskatchewan in an effort to improve social and economic conditions for northern people. Substantial funds have been allocated in this Budget for these development programs.

But then the Minister goes on:

We are currently conducting negotiations with the Government of Canada which we hope will lead to cost-sharing of the programs needed to revitalize the Qu'Appelle system for recreation, tourism and other uses.

Then he continues, and I find this should be a personal embarrassment to the Minister:

In this Budget, we are providing funds . . .

After all these laudatory statements about what you are going to do and what you've got planned and what you propose.

. . . to begin a major program to arrest deterioration of water quality in the Qu'Appelle System, as recommended in the Qu'Appelle Basin Study.

And I emphasize the following:

Once an agreement is signed with the Federal Government, these funds will go into action.

Again, once an agreement is signed with the Federal Government, these funds will go into action. Not before, not before the Federal Government comes to bail you out will you do anything for the Qu'Appelle Basin Study.

SOME HON. MEMBERS: — Hear, hear:

MR. LANE: — In other words, the people in the Qu'Appelle Valley are being told bluntly and arrogantly that the NDP Government of Saskatchewan will not do one thing to solve their problems unless the Federal Government come through with some money. The people in the Qu'Appelle Valley are being told that the Government opposite will do nothing about flooding, nothing about the pollution of the lakes and the waterways, will do nothing

about economic development in the Valley, unless the Federal Government gives money first. The people of the Qu'Appelle Valley are being told that there will be no provincial scenic highway unless Ottawa comes through with the money to bail this Government out.

I find the approach of the Government opposite to be demeaning and I was ashamed to hear the words of the Minister of the Environment this afternoon when he went on the air and told the public of Saskatchewan this Government was going ahead and in fact, it is not going ahead.

SOME HON. MEMBERS: — Hear, hear:

MR. LANE: — When the people of the Valley become aware of your position, your blackmail position for the Qu'Appelle Valley and the residents in the Valley, you can rest assured that those who are trying to improve the Valley, economically and aesthetically, will show their approach to your type of Government in the next election.

SOME HON. MEMBERS: — Hear, hear;

MR. LANE: — I urge the Government opposite to proceed with the development and the clean-up of the Qu'Appelle Valley alone, if necessary, and not wait for Federal assistance. This is a provincial responsibility and cannot be abdicated. I urge the Government opposite to proceed alone with the program to arrest deterioration of water quality in the Qu'Appelle system. To wait for federal involvement and to sit on millions and millions of dollars is an abdication of your responsibility as an elected Government. To fail to act on the Qu'Appelle Basin Study, which is mainly a provincial responsibility, is a shameful act for any government and I hope you would reconsider your position.

Mr. Speaker, I now turn to another aspect of this Budget, greatly lauded by the Government Members opposite.

There is supposedly an "Imaginative new plan of assistance to local governments." The Mayor of Regina, unfortunately he shouldn't have gone on the air before he had a chance to read the Budget, because he said he liked what he saw — he'll be having second thoughts tonight I'm sure — I presume he's home reading it now. Let's look at the details of this so-called imaginative program. A \$10 per capita unconditional grant to urban governments. The truth is, in fact, there is no \$10 unconditional grant. This so-called \$10 grant includes the \$1.50 per capita for police services and the \$1 per capita grant for snow removal. Surely the Government opposite is not arguing that urban municipalities do away with their police forces and stop snow removal. You know these things have to be done. You know that local governments have no flexibility in this regard, and the elimination of these programs really reduces the grant program to \$7.50 per capita.

Inflation alone will increase local government costs 20 per cent (including wage increases). Reduce that \$7.50 by 20 per cent and you are now down to \$6.00.

You have reduced the winter employment program by

March 14, 1974

\$2 million. This removes the flexibility for urban governments and may reduce in effect the unconditional grant even further. In fact, there is no \$10 unconditional grant.

The Government opposite says it is going to aid development of local autonomy for local governments. But of the \$62 million budget for Municipal Affairs, only the \$6 million item for unconditional grants is under the sole control of local governments. In other words, only 10 per cent of the Municipal Affairs budget is in the hands of local government and 90 per cent is being handled by the Provincial Government

SOME HON. MEMBERS: — Hear, hear;

MR. LANE: — Your proposed Police Act will take away local authority and give the authority to the Provincial Government. Your community planning legislation takes away local authority. Your differential between communities with a population of less than 500 and those over 500 indicates a lack of confidence in local government, and not an endorsement of support. Your proposals for rural municipalities are a further indication that you are asking for a vote of no confidence in local government, by a vote for this Budget. You raise their grants 20 per cent but inflation will eat up at least 10 per cent of that increase and wages the rest.

The initial pleased reactions of local officials have now turned to skepticism, concern and caution.

The NDP promised more local decision making and yet you have failed to deliver. Of the 25 items in the Municipal Affairs Estimates, only one is for local decision making authority.

Mr. Speaker, a vote for this Budget is a vote for a non—productive Budget for the people of Saskatchewan. A budget which does nothing for Saskatchewan's future except put us in a precarious financial position. It will lead to higher taxes for the farmers and the workers of this province; it will lead to higher prices for those on fixed incomes; it admits social failure in the North; and it means a vote for further erosion of local autonomy. A vote for this Budget will lead to a drastic increase in the number of public servants to be parachuted on top of party hacks which are already threatening the civil servant who is trying to do a good job for the people of Saskatchewan. A vote for this Budget means an endorsement of a failure to fight inflation, means higher taxes and means a vote for the papering over the problem of no economic diversification and this I cannot do and this the Opposition cannot do. We will vote against the motion and support the amendment.

SOME HON. MEMBERS: — Hear, hear;

HON. E. L. COWLEY: (Minister of Mineral Resources): — Mr. Speaker, having sat down and listened to the Member opposite speaking for awhile, I had to check once or twice to make sure he was talking about this Budget and not the 1968 Budget.

SOME HON. MEMBERS: — Hear, hear;

MR. COWLEY: — The Member had obviously spent a great part of last evening dreaming, trying to think of something to say about the Budget that wouldn't be complimentary. He worked, I am sure, long and hard at that, and unfortunately he didn't come up with very much to say.

This evening I intend to spend a fair bit of time on discussing the urban programs in the Budget and I think at that time I can deal with the one or two half sane comments that the Member had with respect to the urban package.

I also was very interested in his comments about inflation. You know, to suggest that the Government of Saskatchewan is going to have any significant impact by its actions on inflation in Canada, North America or the world is not very realistic. A government which we had a little while ago, some three years ago, tried a policy of restraining government expenditures in order to protect the people of Saskatchewan against inflation. I think in 1968, 1969 and in 1970 and right up to and including June 25th, 1971, the people of Saskatchewan saw the effects of those policies and made some very wise decisions on June 25th 1971. Mr. Speaker, in my view the best way in which a provincial government can assist the citizens of its province in dealing with the problems of inflation are through programs like the family income program which the Minister of Social Services (Mr. Taylor) is going to outline in detail tomorrow. I think this will show that this Government has got its priorities in the right place, that this Government is indeed concerned about people who are living on relatively low incomes and is designing its programs to assist them. Not talking about across the board tax cuts which the Members opposite are so fond of promoting because they give the biggest possible advantage to people with high incomes.

The Member for Lumsden also talked about the Provincial Government and its reference in the Budget to the fact that we were going to wait until an agreement was signed in order to proceed with some projects that the Federal Government is going to participate in. He suggested that somehow we should move ahead on our own because it was irresponsible if we didn't. Mr. Speaker, I think the people of Saskatchewan would think it was seriously irresponsible on the part of this Government if we left millions of dollars of federal funds lying in Ottawa rather than bringing them to Saskatchewan for the people of Saskatchewan's benefit. It is just silliness on the part of the Member to suggest that we shouldn't do everything possible in this Government to see that we make the maximum possible use of federal funds which are levied or raised across Canada on the basis of federal taxes.

MR. LANE: — Put our money in . . .

MR. COWLEY: — Mr. Speaker, I think if the Member opposite would spend a few minutes talking with the Leader of the Opposition on some of the difficulties and some of the constraints that a government faces in dealing with senior governments, he would realize that sometimes it is impossible to move ahead without an agreement or else you are very likely to lose the federal funds that are available.

Mr. Speaker, he also mentioned in his remarks that he was

March 14, 1974

very disappointed that he wasn't able to find in Hansard in Ottawa some speech made by David Lewis with respect to inflation. He was criticising the New Democratic Party with respect to inflation. Mr. Speaker, for any Liberal to criticize anybody for not having a policy on inflation I think takes a great deal of gall.

SOME HON. MEMBERS: — Hear, hear;

MR. COWLEY: — Mr. Speaker, I want to spend a few minutes on the urban package which is in this Budget. The Liberals opposite and the Member for Lumsden in particular was trying to say that there is not very much in it for urban governments. Now I took the time to go through past budgets and see how much the party opposite had given in per capita grants to the local urban governments in Saskatchewan during the seven years they were the Government. Mr. Speaker, it worked out to an average annual contribution of, get this, Mr. Speaker, 50 cents per capita.

SOME HON. MEMBERS: — Hear, hear;

MR. COWLEY: — That means, Mr. Speaker, they gave them average per capita grants of \$191,000 a year. Big money, and obviously if they only got to 50 cents there weren't many increases by those seven budgets brought forward by the Members opposite when they were on this side of the House.

Mr. Speaker, the urban package which was placed before this House by the Hon. Wes Robbins in his Budget Address last Friday represents a major step forward in provincial-municipal relations in this province. Mr. Speaker, I want to congratulate the Minister on the Budget. I want to congratulate him in particular on this urban package. Even though I am a rural Member, Mr. Speaker, I expect if you counted them the majority of the people in my constituency are living in small urban centres. This Budget presents a great many opportunities for these urban centres to improve the services of the people in those centres and indeed to improve the services to the farmers in the surrounding area without any increases in taxes by the local government.

This package recognizes that the tax system of the whole province must be considered when we talk about equity and taxation. We can't only speak about provincial taxes, we have also got to consider the total provincial-municipal tax burden. This additional transfer to local governments or property taxpayers amount to \$23.5 million, excluding the additional school grants which pick up the total increased cost for all primary and secondary education as well as providing for the costs of kindergarten.

Mr. Speaker, the Members opposite cry for tax cuts. They ignore the fact that these transfers to local governments are the most significant tax cut this province has seen in its history and I must say a far cry from the budgets brought down in 1968 and in 1970 by the Members opposite. Indeed with this package the proportion of the total provincial-municipal expenditures financed by property taxes in Saskatchewan becomes one of the lowest in Canada. So that they may understand, and I know this will be difficult for them, but so they may try to understand I shall now put these transfers in their proper perspective. The additional transfer of over \$23 million to

local governments and property taxpayers are equivalent to a one per cent reduction in the sales tax or six to seven per cent reduction in individual income tax or a nine per cent reduction in corporate taxes. Now the Members opposite would say, Oh, yes that's what we should have done, we should have reduced individual income tax. I suspect they really believe we should have reduced the corporate taxes. But, Mr. Speaker, had we done that it would have been dramatic and I suspect it would have been politically popular, particularly with the high income groups but it would not have been very progressive and it wouldn't have brought forward a tax system based more on the ability to pay.

Mr. Speaker, I must conclude from the remarks the Members have been making that they are incapable of tracing through the impact of the program that we put forward on property taxes or that they would have preferred to give a large bonus to the extremely wealthy taxpayers of this province or just enough for another corporate rip-off for their friends in the east and foreign countries. Mr. Speaker, when we couple these transfers with the abolition of hospital and medical care premiums and with the introduction of the family income program and when we look at the removal of deterrent fees, we could more than double the reduction in taxes which I mentioned earlier. Personal income taxes could be reduced to 28 per cent and corporate in—come taxes could be wiped out completely.

They do not recognize these measures as a tax cut because they are not tunneled to the rich, nor does the lion's share of the cuts go to the corporations. Mr. Speaker, these tax cuts and fiscal transfers relate to the ability to pay, a difficult concept for Members opposite. Put simply it just means that the more income and wealth you have the greater your ability to pay taxes, the less you have the less taxes you pay.

The tax policy which we have followed reduces the tax burden on those low and middle income groups, a policy which we are certainly not ashamed of and indeed which we are very proud of. On the property tax question the Members opposite held down provincial taxes by allowing local governments to finance the increased cost of primary and secondary education. The Member for Wilkie (Mr. McIsaac) I am sure will recall those.

The Minister of Finance referred to the party opposite's war on education. Mr. Speaker, it was also a war on property owners and property taxpayers. Year after year during their brief stay in power the local mill rates were raised to finance the increased cost of education while the Government opposite boasted of its prudence and shrewd financial management. It was shrewd in that it shifted the burden for financing school costs from school grants and provincial taxes to local government and the property tax. But the people of the province weren't hoodwinked by this bit of fancy footwork and abdication of fiscal responsibility and they turfed out the manipulators opposite in 1971.

Mr. Speaker, the transfers to local governments and property taxpayers recognized not only the need to reduce property taxes but also the need to effect the reduction without taking the controls of local government programs out of the hands of the representatives elected by the people that handle such programs. In the past major transfers to local governments have been highly conditional while the Members opposite were in office.

For example, there were many strings attached. Under such programs the local governments became puppets and danced to the strings or they didn't get the benefit of the funding from the province. Mr. Speaker, I believe that if we are to have local governments we must provide local governments with the funding and the autonomy to make the decisions the people in their community elected them to make. It is through the vehicle of unconditional grants of \$10 per capita that we can start in this direction. Mr. Speaker, to what I said earlier, the average of the seven long lean years of Liberal Government turned over to the urbans an average annual grant of 30 cents per capita. Mr. Speaker, these grants will amount to a large mill rate equivalent for the cities, towns and villages of this province.

MR. LANE: — You gave nothing in 20 years.

MR. COWLEY: — Mr. Speaker, someone who gave nothing in seven years can hardly say anything to a Government which gave \$10 in three years.

SOME HON. MEMBERS: — Hear, hear!

MR. COWLEY: — The urban package, Mr. Speaker, also recognizes two differing needs of local governments. Saskatchewan urban communities are not a homogeneous lot. In the same way that all Saskatchewan taxpayers do not have the same ability to pay taxes, all Saskatchewan urban centres do not have the same ability to raise property taxes. Some have large per capita assessments where others have very small assessments from which to draw property taxes. However, all local governments must or are expected to provide a certain minimum level of public services to their community. To provide an average level of services in some communities would require an unrealistically high mill rate and the burden on taxpayers or property owners in such a community would be unbearable if they were to receive a decent level of local government services.

Mr. Speaker, as a province we have the fiscal responsibility to ensure that every Saskatchewan citizen has provided to him by his local government at least a basic level of local government services. We have done this with education through the foundation grant formula and we now propose to do the same thing for local government services by providing unconditional funds through an equalization formula to those communities which have an assessment lower than the average per capita Saskatchewan assessment for communities of a similar size. Put simply, Mr. Speaker, this really means that these communities with less than the average assessment will receive equalization grants, whereas those above the provincial average will receive none. These grants should enable those less wealthy communities to provide for their citizens a level of service equal to that provided by communities of a similar size across the province. Mr. Speaker, the equalization principle has been extended to take into consideration not only the ability to raise taxes but the different costs of providing certain services in communities. The equalization program will cost the province \$4.3 million and should provide our communities with low tax bases for excessive costs with the financial services assistance they so badly need.

Mr. Speaker, I was interrupted with the Member for Lumsden saying that the \$1.50 and the \$1 which the urbans had received before was somehow gobbled up in the \$10, and that is to some extent true, particularly for those communities with a high ability to raise taxes. But for the many communities in this province who will receive significant amounts of money in equalization grants, they will be able to provide for their citizens a much higher level of services, more equivalent to the services in the wealthier communities than they would have otherwise. Mr. Speaker, I think when the Members opposite and the local governments see the effect of the equalization formula that we are going to have a lot of happy people in small and larger communities in Saskatchewan.

Mr. Speaker, the Community Capital Fund which we set up will provide \$75 per capita for communities to develop and upgrade their community capital facilities. It is our view that if local governments are to use provincial funds to meet local priorities and optimize opportunity, then local governments must have firm, long-term commitments as to what provincial funds will be available and over what period of time and for what purposes.

Mr. Speaker, unlike the party opposite, we haven't introduced a one year election program but rather a five year program designed to assist local governments and not just simply to get the Government re-elected. For towns and villages the street improvement program which we had before was available to towns which made street improvements. However, Mr. Speaker, if your streets were in good shape and you wanted community halls or recreation centres, a street improvement program wasn't much good to you. The funds weren't transferable so local priorities had to be subordinate to provincial priorities. The Community Capital Fund with the allocation of \$45 million for this purpose over the next five years will move a long way — towards the resolution of these problems. Cities, towns and villages will be able to establish their priorities for the next five years and set out a capital project plan to accomplish these objectives. I am sure the Members opposite who don't believe in planning or thinking won't appreciate some of these points in this program. The activities which can be undertaken are virtually unlimited and if placed within a comprehensive plan of capital works they are very likely to be achieved. Once more within such a framework it will be the local community which determines whether to pave the streets, or upgrade the sidewalks, or construct a curling rink or build a new town office or a city hall.

Mr. Speaker, this group of programs is the biggest boost to urban communities and local autonomy this Legislature has ever seen. It combines a tax reduction with ability to pay, it brings greater equity between communities through the equalization portion and "provides for greater local autonomy along with responsibility through the unconditional per capita grants at a local option within a framework of community development to the Community Capital Fund.

Mr. Speaker, it is with a great deal of pride and pleasure that I will support this Budget.

SOME HON. MEMBERS: — Hear, hear;

March 14, 1974

MR. J. WIEBE: (Morse): — Mr. Speaker, the Budget which we are debating tonight has been called a great number of names during the past week from inflationary to bogus to non productive and so on. It has been called a group of other names which, I understand, we are not allowed to use in this House. An interesting story was told about this Budget when I was home last weekend and I shall just relate that story to the Minister of Finance (Mr. Robbins).

The young man went into a ladies' lingerie (is that what you call it) store . . .

AN HON. MEMBER: Underwear.

MR. WIEBE: — Okay, a ladies' underwear store. Now the young man wished to purchase a bra for his girl friend. Of course, this was his first experience, he didn't know anything about size or shape or so on, so he asked the salesclerk what they had to offer. The salesclerk said — 'we've got three kinds of bras, we've got the dictator bra; we've got the Salvation Army bra; and we've got the NDP economic development bra'. Well, he said, this still doesn't help me much, what do all these mean? The salesclerk said, 'well the dictator bra — it contains the masses; the Salvation Army bra — it uplifts the fallen; and the NDP economic development bra — makes mountains out of molehills'.

SOME HON. MEMBERS: — Hear, hear;

MR. WIEBE: — And, Mr. Speaker, this is exactly what this Budget does in terms of economic development for this province, regard—less of how glossy a picture you make in terms of this very expensive Budget speech presentation and the speeches of cover—up by the Members opposite, regardless of how you try to make a mountain out of it, when you take that bra off at night, Mr. Speaker, it is still a molehill and that's what the people are going to find out when they investigate this Budget.

SOME HON. MEMBERS: — Hear, hear;

MR. WIEBE: — At this time, Mr. Deputy Speaker, I should like to turn to a subject which is of great concern to me. We heard this afternoon about political interference by Ministers on that side of the House. I should like to present tonight, to you, and document to this House, to the Press, and also to the people of Saskatchewan, evidence which will prove beyond a shadow of a doubt, direct political interference by the Blakeney Government and the Minister of Agriculture, into the allocations of lease land in Saskatchewan.

SOME HON. MEMBERS: — Hear, hear;

MR. WIEBE: — As well, Mr. Speaker, I will prove the refusal of the Minister of Agriculture (Mr. Messer) to support the officials of the Lands Branch in their normal responsibilities in carrying out their duties as prescribed by regulations and this Legislature.

First of all, to give this House the perspective for the accusations which I have just made, I should like to relate to this House a series of events which took place in the Morse constituency, and I understand, similar events have taken place in other constituencies throughout the province.

The Minister of Agriculture, Premier Blakeney and the Members opposite have time and time again stood up in this House and in meetings throughout this province and very sanctimoniously declared their intention to implement the policies and programs to put more young people on our farms in Saskatchewan. The events which I am about to relate will show these statements as being hollow and just political rhetoric, and will prove once again that the NDP do not practise what they preach.

This story covers a period of approximately a year and a half, so let's go back to the summer of 1972.

There was a rancher in the northwest part of my constituency, who owned nine quarters of deeded land and he leased 8 1/2 quarters of land from the Provincial Lands Branch. The reason why he decided to sell his holdings was because he spent the spring of 1972 in the University Hospital being treated for cancer.

With the Members' indulgence, I should like to refrain from using names, the Minister of Agriculture is very familiar with the series of events, and I am sure the Members opposite can obtain the names from him if they so wish.

On July 22, 1972 this rancher listed his land with the Land Bank Commission. Land Bank offers or responses were not very encouraging or very satisfactory, so on September 16, 1972 he listed his ranch, equipment and livestock with a real estate firm in Moose Jaw. On October 20, 1972 the real estate agency had located a buyer, two young men, ages 18 and 21 (one was single, the other one was married). They wished to purchase this land and they made an offer, which was accepted by the owner in writing. Here, Mr. Speaker, is a situation which is ideal. We've got two young men, one the age of 18 and the other 21, married, wanting to start farming, wanting to start ranching. Two men replacing one rancher, who is retiring. The deal was made, the two parties were extremely happy — a very generous offer was made by the owner in terms of payment — down payment in cash of \$79,000, balance payable at \$3,000 per year (no interest for the first five years); after five years interest at five per cent on the balance owing. So, on October 25, the owner, the young buyers and the real estate agent went to the Lands Branch to make arrangements for the assignment of the 8 1/2 quarters of lease. The necessary documents were presented; they were signed by both parties. The Lands Branch officials seemed to feel that everything would come out all right and they would notify them within a week or so after they had investigated their applications.

On November 1, 1972, the owner received a letter from the Lands Branch stating application to assign leases by the two young purchasers as being tentatively approved. They qualified 100 per cent under the point system and there were no problems whatsoever in terms of them qualifying for this land. This was on November 1, Mr. Speaker.

Between November 1 and November 14, something very peculiar happened. I might point out here that the area in which this

March 14, 1974

land is located is a very strong NDP area — the strongest NDP poll which I have in my constituency. It is my understanding that between November 1 — 10 a delegation of NDP supporters from that area visited and made representations to the Minister of Agriculture. On November 14 a letter from the Lands Branch was sent out to the owner stating that now they were only prepared to grant three-quarters of the lease. Naturally the owner and the purchasers were very unhappy. They felt that in order for the two young men to have a complete unit that they needed the 8 1/2 quarters of lease. On November 18, as their MLA, I received a phone call, they were wondering what they could do. I advised them the best thing they could do was to go and see the Minister of Agriculture personally and they asked me to arrange a meeting for them. They said, when you are in Regina could you stop in and talk to the Minister. I phoned the Minister of Agriculture and made an appointment with him for November 30. On November 22, the owner of this land sent a letter to the Minister of Agriculture and I should like to read that letter to you now:

Dear Sir: Recently I sold my property, depending on transfer of government leases, which I held, which you are probably aware of by now. As my health is failing me I have been asked by my doctors to leave the farm. We had a letter from the Lands Branch that these leases were tentatively approved. I sold all my feed grain, sold all my seed grain, sold my calves, which I have never done before and many other items on my farm. The Government has been making many settlements and trying to set up my programs to try to keep young people on the farm. This is what was taking place here.

These boys were quite willing to put down \$79,000 cash quite true, I was giving them easy terms on the land which I own, with easy interest rates. Nevertheless, they —were buying cattle, machinery and their ability as cattlemen is far beyond any young people in this area.

As for myself, the Government has to give me a lot of credit the way I put my leases in a high productive land as my neighbors that are holding lease land, they have never made any attempt to improve their grazing capacity.

I feel very sure that the municipality 224 will supply you with truthful information you need.

The rest of the letter pertains to the visit of the NDP supporters from that area. It goes on:

Now, Mr. Messer, if there is any foul play on this let's meet the people in your office. In all fairness to me I think that I should have the right to defend myself against any foul play. As well, I have many things that should be brought out in the open and your attention, with the presence of Mr. Taylor and Mr. Polischuk.

Well, Mr. Speaker, on November 30, I met with the Minister. Pardon me, I might point out that on the 29th, I phoned the owner again to get the details straight and on the 30th I met with the Minister of Agriculture. I told him the details and he said that everything you tell me seems to be in order and if what you tell me is the truth I don't see where there should be any problem and we shall advise.

On December 29th there was still no word, so I contacted the Minister of Agriculture again and he said everything is okay. He said, I have checked it out, go talk to the Deputy Minister, a letter will be coming out tomorrow authorizing that the lease will be transferred.

Now, Mr. Speaker, on December 21, for some strange reason the owner of that ranch received an offer from the Land Bank (another offer). Was he offered the same price that the two young farmers had offered? No, Mr. Speaker. The Land Bank was offering the owner \$11,000 more than what the two young farmers had offered. I don't know what their first offer was, but it must have been less than what the two young farmers offered, because the owner of, that ranch, after listing with the Land Bank in July, desired in September to list that land with a real estate agent. Why all of a sudden do we have another offer? \$11,000 more.

At this point, and it is quite understandable, the owner of that ranch was not too anxious TO sell to the young ranchers. Here was an opportunity to make \$11,000 profit.

On January 1st, the young purchasers still had no letter from the Department. They gave me another call. I couldn't arrange a meeting with the Minister of Agriculture, however, I managed to arrange a meeting for them with the Deputy Minister.

On January 10 I went along with the two young lads and met with the Deputy Minister. They explained their problems and he said that if the two young men are able to buy the land from the rancher that they will transfer all the leases. I would like to read that letter to you, dated January 10:

Should the owner change his mind and is released from his obligation to sell to the Commission, and then sell the land to you, the Department would approve the assignment of the provincial land he leases.

That was January 10.

Now, Mr. Speaker, I think this was a very easy commitment for the Deputy Minister to make, because I think that he had the feeling there was no way that this rancher was going to sell to these young men and that he was going to accept the offer of the Land Bank. And believe you me, Mr. Speaker, the Deputy Minister was quite right.

At this point, the owner of the ranch, because of the more than generous offer made by the Land Bank, did not wish to honor the agreements and the contracts for sale which he had signed and made with the two young purchasers. This is quite understandable. The cordial and friendly relationship which existed between the two parties prior to the offer of the Land Bank, now began to deteriorate, Mr. Speaker. Here we have had political involvement right from the beginning and now we have animosity developing between rancher and rancher.

The young purchasers wished to start farming and they wished to continue with the transaction and the signings and the down—payments which they had put down. During the month of May the young purchasers took the owner to court to honor the agreement which he had signed.

March 14, 1974

On June 8, 1973 the court ruled in favor of the two young purchasers and the sale between the young purchasers and the owner was completed. In the eyes of the court the offer that was made by these young men was reasonable and it was accepted and agreed to.

During the summer months and the fall of 1975 the purchasers of the ranch and the lawyer acting on their behalf made presentation to the Lands Branch. They were advised that the leases would be transferred once the Lands Branch had received the leases from the previous owner.

With the natural understanding of assurances during the summer from the Lands Branch and the letters which I have read the new owners took this Government at their word. They continued with the operation of their new ranch and the lease land. 40 acres of the lease land was re-seeded to grass by the new owners. They purchased extra cows. The one new owner had an agreement with the Matador Community Pasture in which he could put so many head of cattle. He decided, now that he had the lease land this would not be required so he allowed it to lapse, Mr. Speaker.

On January 9th after several weeks the Lands Branch finally notified the new owners that they definitely would not be getting any of that lease and on top of that, Mr. Speaker, no compensation would be paid to the new owners for the improvements which they had made during the summer of 1975. This decision, Mr. Speaker, as of now, has forced one of those young men off that ranch because it now provides a living only for one. Had that lease land been granted to them we could have had two young farmers new into farming in this province.

This is a brief outline, Mr. Speaker, of the events that took place during the past year. To provide further evidence of political and ministerial interference I should now like to go back to the court case of May, 1973 and read to this House an excerpt from the judgement which was brought down on June 8, 1973 and I quote: (This was the ruling made by the judge after listening to the plaintiff and the defendant)

The problem was caused by the acts of the provincial Government in exercising its rights to refuse to assign the Crown leases held by the defendant to the plaintiffs and manifested by the refusal of the Minister of Agriculture to support the officials of the Lands Branch.

This, Mr. Speaker, was a statement made by the judge in his judgement on June 8.

I would also like to read, to you, statements made under oath in a court of law, by the Director of Lands for the Department of Agriculture, the man who is responsible for the overall administration of the provincial lands administered for agricultural use. At this point I must interject and say that in no way did any civil servant do anything that was wrong. They acted within the guidelines of their responsibility to carry out their duties as prescribed by regulations and this Legislature.

Mr. Speaker, I see that my time is just about out so I will not read the complete transactions. I will table them, Mr. Speaker. The Minister of Labour says I have lots of time

I imagine that he has contacted the Whip so I shall continue on them with Page 109 of the Court Transcripts. The conversation which I will be relating will be questions asked by the lawyer and answers given by the Director of the Lands Branch for the Department of Agriculture:

Question: — I presume at that time that they would have to apply for leases or approve the assignment of leases to the purchaser. Is that correct?

Answer: — Yes.

Question: Normally, what is the practice of your Department when a proposed purchaser comes in and is buying some property and also wants to take over some Crown lease, in this case it would be the owner?

Answer: — The owner has to apply on an assignment from forms supplied by the Department of Lands Branch and he has to apply to assign the leases to the assignee in this case, the two young men.

Question: — What is done once the assigned order goes through the formality of making out the application?

Answer: — The assignee must complete the part of the form or the type of form from the assignor for the assignee to complete this, and complete it by the assignor and the assignees.

Question: — Are there certain guidelines once the formalities are done as to whether the Department, in most cases, would approve these or disapprove of them?

Answer: — There is an assignment policy and if the application to assign conforms with the allocation policy, normally the assignment is approved.

Question: — Now you have indicated about this policy, and. —what is the policy? Are there certain guidelines or certain tests, or certain criteria?

Answer: — The policy is quite specific that the applicant must score the assignee, the assignee must score at least 75 points, as per allocation policy, before he is eligible for assignment of lease.

Just to speed things up, Mr. Speaker.

Question: — Now, in this particular case did your Department come to the conclusion that the assignees —were eligible?

Answer: — This is the conclusion that I came to, or the Land Branch came to. I don't make the decision myself, I consult with my associates, Mr. Taylor and Mr. Wright, and we do check off and on with the Secretary of the Appeal Board and we felt that the assignees qualified within the terms of what the Government policy for the assignment of leases was.

So, here, Mr. Speaker, the civil servants had been following Government policy. He has discussed the assignment of these

March 14, 1974

leases with two other men within this Department. He has also discussed the assignment of these leases with the Appeal Board. The two men had received all the points that are necessary, so in other words, there was no need for them not to receive this lease land.

Question: — And they were otherwise eligible?

Answer: — In my opinion, and Mr. Taylor and Mr. Wright, so felt that they qualified within the context of the Government policy at that time.

Question: — How long had that policy been in force?

Answer: — They policy had been in force since about 1965.

Question: — Now I notice in this letter that the approval is on the condition that the assignees would surrender a certain lease, after having registered the agreement in their joint names, accepting a new grazing rental lease on the land, contained therein. Were these conditions basically fulfilled.

Answer: — No, no, they were not fulfilled.

Question: — Why?

And I think this is quite important.

Answer: — After the assignment of the leases was tentatively approved, apparently some information got to the Minister's office, that I am not aware of.

Just let me go back to this, Mr. Speaker. The question was asked if these conditions were fulfilled. The answer was, no, they were not fulfilled. The question: Why? The answer, by the Director of Lands for the Department of Agriculture: After the assignment of leases was tentatively approved, apparently some information got, to the Minister's office that I am not aware of.

Here is another point.

Question: — As reflected in the letter of November 14th, and how did that come about? Were you told by the Minister, by someone from his office, that you were only to approve the north half and the south half of 23?

Answer: — Yes, this was instructions from the Minister's office.

Question: — And this is after it had been tentatively approved by your Department, is that correct?

Answer: — By my Branch, by the Lands Branch.

Question: — When were you advised by the Minister to just approve the three quarters?

Answer: — It was on or about the date that the letter went out, which is November 14th.

Mr. Speaker, just to speed things up a bit, I shall go back to the last part of the testimony which was made in court.

Question: — Well, what I am interested in is if there was any representation made in this transaction after that time it would be directed to the Minister of Agriculture, which you wouldn't have any knowledge of? '

Answer: — Yes. All the negotiations or discussions on this angle of the lease were not done by the Lands Branch Office any more. So from November 14th on, all further transactions were not conducted by the Lands Branch, but were conducted by the Minister of Agriculture's office.

Mr. Speaker, I don't believe that there is any more need for further evidence to prove to this House, the allegations which I have made.

Mr. Speaker, this Blakeney Government, as I have demonstrated is interfering with the normal allocation of lease lands in this province.

SOME HON. MEMBERS: — Hear, hear;

MR. WIEBE: — They are making a mockery of this ideal of placing more young men on our farms in this province and, Mr. Speaker, they are not paying any attention to the advice of the senior civil servants.

Mr. Speaker, I say to the farmers of this province, that they had better take a closer look at the operations and the functioning of this Blakeney Government. I call on the Premier and the Minister of Agriculture to follow the proper guidelines of the allocation of future lease land in Saskatchewan, guide—lines that are set up by regulation and by this Legislature.

In closing, Mr. Speaker, I should like to call on the Premier of this great province, to practise what he preaches, an open and fair Government. I call on him to run a government and to conduct a government of and for the people of this province. To conduct a government, Mr. Speaker, not a government of the party and its political hacks.

I will be supporting the amendment.

SOME HON. MEMBERS: — Hear, hear;

HON. G. MacMURCHY: (Minister of Education): — Mr. Speaker, on entering the debate I want to congratulate my colleague the Member for Nutana Centre (Mr. Robbins), the Minister of Finance, on the fine job that he has done in his first Budget. I am proud of this Budget. It represents a plan of action by our Government, a government that drafted a clear and honest program and took that program to the people, that won the support for the program, 45 to 15, and that has delivered almost 100 per cent in three years.

This is a record of achievement that has no parallel in the history of Saskatchewan. No other Government has kept its

March 14, 1974

promises so rapidly and. as thoroughly as this NDP Government I would be happy to take this record to the people anytime.

SOME HON. MEMBERS: — Hear, hear;

MR. MacMURCHY: — Mr. Speaker, I am going to talk about the Budget. I am not going to be like some of the Members opposite. I am going to talk about the Budget. But before I talk about the Budget and the Education budget, I might comment on the attack of the Liberal Party on this particular Budget.

Their attack has been on the ground that it is inflationary. I guess, somehow, the Liberals believe that a dollar spent by a public body is inflationary, but a dollar spent by a corporation is not. I say that a dollar is a dollar. We don't oppose the expenditure by a government, for after all what is the government but all people acting together. Corporations, Mr. Speaker, are not elected; they serve only one purpose — private profit. If the Liberals wonder where inflation is caused let's look at just a few of the corporate pro—fits: Imperial Oil up 45 per cent; Gulf Oil up 58 per cent; Massey Ferguson up 80 per cent; International Nickel up 107 per cent. Here is an interesting one, Mr. Speaker, George Weston Limited, Toronto, the profits up 86 per cent and they just raised the price of bread two cents a loaf. Mr. Speaker, the people pay and the George Weston's profits go up.

Now they demand, Mr. Speaker, that we cut programs to stop inflation. But are these programs causing inflation? Have we gone to the money markets to borrow? Is that causing inflation? Let's look at the cost of living index for 1973.

For all of Canada the cost of living rose 9.1 per cent. What happened in Saskatchewan? It rose only 7.5 per cent. 9.1 per cent Canada — Saskatchewan 7.5 per cent. Mr. Speaker, Saskatchewan did not contribute to inflation, we helped to retard it, to hold it back.

SOME HON. MEMBERS: — Hear, hear;

MR. MacMURCHY: — Mr. Speaker, if we took the advice of the Liberals, the result would not be less inflation but the result would be only poor service to the people of Saskatchewan. I ask the Liberals, do you want us to stop spending and what programs would you cut?

What about denticare for children or the \$10 per capita grant for cities and towns? Or the Family Income Program or the hog subsidy, or community/colleges, or kindergartens? What do the Liberals really mean? How would they attack inflation? When they were in power for seven years they starved education and forced up property taxes and they imposed a six per cent ceiling on working people. They taxed purple gas and they put on deterrent fees? They did all these things and many more, but did they stop inflation? Of course not;

Not only do the Liberals attack our programs, but they also attack our revenues. Let's just for one minute look at the revenues. Let's look at the gasoline tax and that is a hefty revenue.

The Liberal Party raised this tax twice. In 1968 just four months after they had promised to cut taxes and again in 1970, they increased the tax three cents a gallon, as I recall. Mr. Speaker, in this Budget the New Democrats are repealing the Liberal tax increase. All of the three cents is rebated by reducing the automobile license.

Let's look at medicare premiums. The Liberals raised them almost 50 per cent. This Budget provides the money, not just to cut them back, but to abolish this unfair head tax altogether.

The Member for Wilkie (Mr. McIsaac) talked long and loud and we had a great ballyhoo about this money from Ottawa. Mr. Speaker, every province is entitled to equalization if it is below the average. And yes, Saskatchewan payments are up, \$45 million extra. The Liberals say this means that we are falling behind. But, Mr. Speaker, the extra money is not for 1973, it is not for 1972, every penny of the extra federal money is on account of 1971, the last year under the Liberal Budget.

SOME HON. MEMBERS: — Hear, hear:

MR. MacMURCHY: — Mr. Speaker, our economy in 1971 was so low that not even the Ottawa Liberals could believe it and they underpaid us and only now we are receiving the extra equalization grants. Mr. Speaker, the Liberals would like us to believe that this Budget is the result of high taxes. In fact, Mr. Speaker, the New Democrats have cut taxes. Our revenues are up and why? Because the economy is strong under the NDP.

SOME HON. MEMBERS: — Hear, hear;

MR. MacMURCHY: — And under the Liberals it was incredibly low.

I am going to talk about the Budget.

AN HON. MEMBER: — . . . Otto Lang.

MR. MacMURCHY: — Mr. Speaker, one policy of the Hon. Otto Lang, that one policy LIFT drove 30,000 people out of this province and we haven't recovered yet.

SOME HON. MEMBERS: — Hear, hear;

MR. MacMURCHY: — This is the kind of monument to put up for the Hon. Minister Otto Lang.

Mr. Speaker, the Budget reflects the high priority the New Democrats gave to education. We see education as an investment, a good investment and not just an expensive frill as the Liberal Party sees it. In 1974 provincial grants to school boards will increase by 20 per cent, the largest increase by far in a decade. Direct grants will total over \$114 million and when the amount spent for northern Saskatchewan and other purposes are added, the total for school grants approximate \$120 million.

March 14, 1974

Mr. Speaker, in the last year of Liberal government, school grants were only \$77 million; the NDP has raised that to \$120 million — an increase of 55 per cent in three years.

Now, the increase for 1974 will not only allow school boards to hold the line on their mill rates, it will allow them to introduce major new improvements. A province-wide kindergarten program is available to all school boards this year at the option of the board. Kindergarten is to be recognized in the grant formula in the same way as regular school courses. This will include just about 2 million new dollars in grants to school boards.

When we came into office the pressures were on us for kindergarten. We said, "Fine, but we are not going to have kindergartens unless it is possible to deliver that program to rural Saskatchewan." Preliminary studies showed that the cost of kindergarten for Saskatchewan would be between \$5 million to \$8 million. The big expenditure item was for transportation. It was assumed that running kindergartens means running a half day operation, as in the other provinces, meaning transporting children at noon either by bus or by private car. No matter how we looked at it, it seemed an expensive proposition. We had to find an answer. During the first pilot projects, we experimented with different formats. Some half days, some whole days, for half a year; some whole days every other day, and we learned that the extra transportation was really not necessary. Children adapted very well to full days every other day.

Now having satisfied ourselves of the organizational problems we wanted to be sure that we could justify to the taxpayers of this province the cost of 13 years of school instead of 12 for our children. Kindergartens would have to make pretty special and unique contributions to the child's education to justify an extra year. We could not afford to have kindergarten just as a downward extension of Grade One. It must be a distinctive early child education program which builds sound and enthusiastic attitudes toward life and toward learning. In rural schools where kindergarten must be combined with another grade, this is especially difficult. Because of this we have worked on the pilot projects for another year and we have done, Mr. Speaker, some interesting experiments.

The Hon. Mr. Taylor can tell you how kindergarten children have been combined with a Grade Six class in his riding, in the town of Eatonia, with remarkable success.

We worked hard on the curriculum; we have taken considerable effort in developing parental participation. We're ready to go, we're confident that we have a good program. And, Mr. Speaker, there's confidence in the school board.

Ninety per cent of school boards in Saskatchewan have indicated in their preliminary budgets that they plan to implement kindergarten this fall, 1974.

Mr. Speaker, this Budget also makes the difference between driver education as a voluntary extra and driver education as an essential part of health and safety education. When we came into office in 1971, the Liberals were spending the grand sum of \$200,000 on driver education. The program was a frill. Students paid fees to take the course; it was tacked on to the

end of the school day; it was little more than the most pain—less way for a 16 year old to get his license.

But driver education is too important for that. Knowledge developed with respect to driving may be the difference between a life and a statistic. No one needs to remind us the ever—increasing toll of lives on the road and the cost of accidents. Knowledge is important and not just taking the transmission out of park and making a right hand turn. What about how a car reacts in hazardous road conditions? How does one drive on ice or in snow? How does one keep a car on the road when a tire blows out? A Manitoba study shows unfamiliarity with the vehicle ranks as one of the top causes of accidents.

But knowledge is only half the battle. All the knowledge in the world will not help if speed is such that the car simply cannot be controlled, or if alcohol blanks everything out. These are part of the overall important attitudes.

These attitudes are what we must get at, Mr. Speaker. They can't be done in a program squeezed in a noon hour or after school. An overall attack on the problem is necessary. A package of health, safety and alcohol education in driving is long overdue and I am pleased to announce, Mr. Speaker, that this Budget provides \$600,000 for driver education, which includes the removal of the \$20 student fee and which will make driver education part of the school curriculum.

SOME HON. MEMBERS: — Hear, hear;

MR. MacMURCHY: — Mr. Speaker we are also including \$40,000 new dollars for an education program designed to get at the attitudes of those already convicted of drunken driving. D.W.I. is a program used extensively in United States to counter the problem of drinking drivers.

Mr. Speaker, if we are serious about convincing teenagers that drinking costs lives, then adults must practise what they preach. — actions speak louder than words. The \$40,000 will provide for three pilot projects in the education program “Driving While Intoxicated”.

Physical education programs will be stepped up this year. We are particularly concerned about extending good physical education programs in our elementary schools. The emphasis will be on development, not on competitive athletics. Mr. Speaker, the grants to individual school boards will be made available next week. The equalization formula, which we introduced in 1972, is fully phased in. Grants are based on allowances per pupil, plus allowances for transportation, debt and so on, and they are paid unconditionally, to be spent as boards see fit.

For 1974, Mr. Speaker, the allowances per pupil 'will be increased by more than 12 per cent for cities, and almost 14 per cent for rural school units.

Mr. Speaker, we have deliberately allowed more for the rural schools because of their higher costs. We are committed to maintain the small schools where it is at all feasible, and we are putting the money into the grants to make that possible. For 1974, the extra allowances for rural pupils will be as

March 14, 1974

high as \$15 more.

In addition to this differential, I am pleased to advise the Members in this House, that this year we have incorporated into the formula a sparsity factor to put more money into school units where students are scattered over a wide area.

As well, the 1974 grants will include a special provision to compensate for enrolment declines. Mr. Speaker, normally, when enrolments fall, the grant will be reduced. However with the enrolment problem built in the sparsity factor, school boards will be guaranteed that if their enrolment falls by more than a fixed percentage in any year, a proportion of the decline will be added back into the grant.

Mr. Speaker, the Liberals opposed and forced schools to close by tying grants to the number of teachers, instead of pupils being taught. We have changed that. The pupil-teacher ratio is gone, grants are unconditional and this year steps are being taken to reverse that Liberal trend: An overall 20 per cent grant boost; a large differential for rural schools; a sparsity factor; an enrolment factor.

Our government is not only moving to support existing rural schools, we are expanding their educational opportunities in the rural areas.

Mr. Speaker, community colleges have been operating in four regions for a year. The response has been overwhelming. In January of 1973 we placed four developers in pilot areas to test out the idea. They discussed the concept in detail with local communities. They conducted surveys, helped to set up local committees. Each community determined what courses were wanted in that area, and in what priority. The developers sought out local resource people and available buildings.

The response, Mr. Speaker, was enthusiastic. In September of 1973, the first round of programs began. By February of this year, Mr. Speaker, the number of people registered in community college courses had passed the 10,000 mark. Ten thousand people, Mr. Speaker, in 750 courses in 200 different communities in four pilot projects in rural Saskatchewan. And, Mr. Speaker, all this for less than \$800,000, I would challenge the Members opposite, Mr. Speaker, to construct their college campuses with an enrolment of 10,000 students in them for \$800,000.

I have said before that if I had to stand on one single program in education during our three years as Government I would stand on the community college program. The effects of the program as we have had in the four pilot areas during one short year defy measurement. ""

Over 450 persons are employed as instructors in community college programs. The local merchants will tell you what a difference a community college has made to their business; it sells welders, it sells lumber; it sells typewriters; it sells fabrics and arts and crafts and furniture. Local organizations are finding themselves with new money in their pockets from the rental of space and from the use of facilities. Local media is finding heavy new demands for its broadcasting services.

Skill training has meant the road to better employment for

some; local businessmen have been able to reap the benefits of using their own facilities to train help. In La Ronge, Mr. Speaker, one in every four adults is enrolled in a community college program of their own design and choosing.

In all cases the flow is out of the larger centres to the small towns, and the Member for Saltcoats (Mr. Kaeding) will tell you this story. A credit university course in sociology is being offered in the community of Yarbo where there are a hundred people.

The response has shown how much rural residents appreciate not having to drive long distances for learning, and having courses available to them that are practical and of immediate use. Mr. Speaker, this has brought a new vitality and sense of pride to rural communities. Expertise that has lain dormant in the community for so long is restoring cultural awareness and historical pride. The socialization that takes place among people in courses provides a valuable platform for solving individual and community problems and looking toward new directions for that particular community.

Mr. Speaker, our \$800,000 invested in rural residents through community colleges has already paid rich dividends, and I say it will continue to do so.

We are expanding the dollars to \$1.7 million, and I am pleased to announce that that includes the establishment of four new college regions. In the southeast, the Weyburn-Estevan region; in the northeast, Melfort-Tisdale-Nipawin; west central, Rosetown-Biggar-Kindersley-Kerrobert; in the North Battleford region, the North Battleford-Meadow Lake.

They said it couldn't be done, Mr. Speaker, like kindergarten. But it is being done and I say the rest of Canada is watching.

Now, Mr. Speaker, as community colleges develop they will require strong backup in terms of learning resources. Saskatchewan's one library structure, is ideally suited to deliver the needed resources. In this Budget, we are allocating considerable new money to beef up library services. Grants to regional libraries will be raised from \$1.50 per capita to \$2.50. Grants to municipal libraries will double from 50 cents to \$1 per capita. Startup grants will be raised to \$4 from \$1.75.

This will produce new operating revenue of over \$655,000 for Saskatchewan libraries, for a total of \$1.6 million – more than twice what the last Liberal budget provided.

In 1967, they gave city libraries the sum of 15 cents per capita. And that was an election year. In 1968, after the election, what did they do? Not a penny. In 1969, deterrent fees were bringing in millions, the Liberals felt flush. What did they give? Five cents, five cents, Mr. Speaker, and that was for the cities and not a nickel for the rural areas. In 1970, the election was getting closer, they got generous. They doubled the five cents to ten cents for both the rurals and the cities. 1971 was a big year again, election year. Ten cents.

Mr. Speaker, the Liberals do deserve credit for allowing

March 14, 1974

the formation of four of the seven rural regions to be established during their term of office. But once established, they starved those regions with their niggardly operating budgets.

When we took office in 1971, rural regions were surviving on grants of \$1.20 per capita. City libraries received 40 cents. Two years later, the grants are \$2.50 for the rural regions and \$1 for the city libraries.

1974 will see the establishment, Mr. Speaker, of SaskMedia. The provincial library will be part of the new agency to benefit from access to materials from all the media from print to film, videotape, television and radio. SaskMedia will enable all major libraries in Saskatchewan to be linked by telex to speed communications.

Mr. Speaker, library people are enthusiastic about SaskMedia. The linking of libraries, the access to new educational materials, the massive grant increases mean new vitality and a new opportunity for service.

Mr. Speaker, the University of Saskatchewan also receives a substantial grant increase in 1974. 6.1 million new dollars, a total of \$44,750,000, will be given to the university this year — a 16.6 per cent increase.

This large increase, Mr. Speaker, comes at a time of stability in enrolment. It will not only cover cost increases but will also allow program enrichment at both campuses.

Student bursaries will receive a further \$500,000. Bursaries are a new program — introduced in the fall of 1971. Up to \$850 is available in an outright grant to students, based on need.

Under the Liberals, Mr. Speaker, Saskatchewan was the only province in Canada with no bursary plan. Under the New Democrats, Saskatchewan's bursary program ranks among the best in this country.

SOME HON. MEMBERS: — Hear, hear;

MR. MacMURCHY: — Mr. Speaker, I've talked about the education budget. I say no, to the amendment put forward by the Member for Wilkie (Mr. McIsaac), yes, to the Budget. It reflects the high—priority the NDP Governments gives to education. Education is not an expensive frill, it's an investment and I say, Mr. Speaker, it's a good investment.

SOME HON. MEMBERS: — Hear, hear;

MR. G. F. LOKEN: (Rosetown): — Mr. Speaker, the great tragedy of the Budget Speech delivered last Friday by the Minister of Finance (Mr. Robbins) is that it contained so many lost opportunities.

The Province of Saskatchewan is enjoying unprecedented revenues. Sales of all agricultural products have reached record levels and prices for these products are, generally speaking, much better than average. Oil has contributed far more to the economy than any of us would have dreamed as little as 18 months ago. Potash prices are going up along with

prices for pulp, timber products, and a vast number of other goods produced in Saskatchewan. The Provincial Treasury will receive well over \$900 million in revenue during the coming year.

I said a moment ago that the Budget Speech was full of lost opportunities, and it is.

SOME HON. MEMBERS: — Hear, hear;

MR. LOKEN: — With all of this increased revenue, did the Government come forward with new and significant plans to help the people of Saskatchewan, to ensure prosperity in the future? It did not.

Did the Government suggest that it invest a considerable portion of its revenues so that when times get tougher we will have something to fall back on? It did not.

Did the Government ever suggest that it would correct some of the glaring inequities in such things as the provincial income tax systems, or the total incompetence of such Departments as the Department of Northern Saskatchewan? It did not.

What the Government did was tack on millions of dollars to virtually every department and agency and hope that their officials could dream up some new ways to spend it.

Let's take a look at one of these departments — the Department of Agriculture. Expenditures in agriculture will increase this year by 47 per cent. Does that mean that the farmers are going to get increased assistance and incentives? No. Nor does it mean that cattle producers will receive some help in order to stay in business. Mr. Speaker, it also doesn't mean that the South Saskatchewan River irrigation project will be carried on.

What this 47 per cent increase really represents is made clear in the Government's Estimates. One hundred and five new civil servants to be employed by the Department of Agriculture. Increased spending for administration and advertising. Counsellors to run around the province telling farmers what to do.

I want to make it clear that this 47 per cent increase in the agriculture budget does not represent a 47 per cent increase in help for farmers.

Mr. Speaker, I notice that another \$20 million has been set aside in the Budget for the Land Bank Commission so that they can purchase more farm land. This is the great transfer scheme of the Government opposite. They transfer land from the farmers to the state. Nowhere is the need for an effective land transfer system that will give new farmers the opportunity to buy land, more evident than in my constituency. In the Rosetown area we see farm after farm being put up for sale and the owners moving out of the province. Instead of new farmers taking the place of those who are leaving, these farms are being absorbed into other farming operations. The NDP would have us believe that the Land Bank would solve this problem, but quite clearly it has not.

The result has been fewer people to support our rural

March 14, 1974

communities and a decline in the number of people available to community services. Mr. Speaker, when the Minister of Finance read his Budget, he pointed with pride to the Prairie Agricultural Machinery Institute that will be established in Humboldt. I suggest that this institute is an unnecessary one and a waste of taxpayers' money.

Farm machinery manufacturers currently spend millions of dollars doing research into the design, selection and use of machinery used on our farms. They do this because it is their business to do so and the final judges of how effective they are the implement dealers and the farmers themselves.

I speak from experience, Mr. Speaker, when I say that this is the most efficient manner in which to develop agricultural machinery that is most suitable to the needs of Saskatchewan farmers. What we don't need are dozens of high priced so-called experts doing this job at public expense.

I wonder if the Minister of Agriculture is intending to employ the same people from his Department who decided that Roumanian tractors were just what the Saskatchewan farmer needed to operate the institute.

I should also like to sound a word of warning to the Government about the plans they have to establish a Sheep Marketing Commission. We, on this side of the House, will support a Sheep Marketing Commission as long as it is clearly demonstrated that it is what sheep producers want and as long as it is guaranteed that sheep producers will control the Commission. If Mr. Messer thinks he can do to sheep producers what he did to hog producers a year ago, he may be in for a surprise.

Mr. Speaker, it was with some amusement that Members on this side of the House listened to Mr. Robbins inform us that the Government has fulfilled every promise outlined in the New Deal for People.

I hesitate to accuse the Minister of lying, so I will only suggest that he is sadly misinformed about what his party promised in 1971.

SOME HON. MEMBERS: — Hear, hear;

MR. LOKEN: — . . . and what this NDP Government has done since that time. For his benefit, I should like to remind him of some of those ill-fated promises:

1. According to the New Deal for people, the NDP Government was going to enact a farmers' Bill of Rights. Perhaps Mr. Robbins can tell us where it is.
2. They were going to establish a producer controlled hog marketing board. What they have actually established is a government controlled Hog Marketing Commission.
3. The NDP promised to sharply reduce property tax mill rates on homes, farms and small businesses. In almost every jurisdiction in Saskatchewan, the mill rate has increased.
4. They premised to establish a Department of Economic

Development. There is no Department of Economic Development in Saskatchewan today and needless to say there is no Minister of Economic Development.

5. They promised to remove the sales tax from children's clothing. That promise has not been kept.

6. They promised to allow purple gas to be sold through service station pumps. That promise has not been kept.

7. They promised to reduce automobile insurance premium rates by 25 per cent. Let's look at the figures.

SOME HON. MEMBERS: — Hear, hear;

MR. LOKEN: — The premium rate on a new car in 1971 with a 100 to 120 inch wheelbase was \$85. In 1974 a new car with the same wheelbase is assessed a premium rate of \$125. That's not my idea of a 25 per cent reduction.

Mr. Speaker, the orange booklet put out by the NDP in 1971, is full of such unkept promises. For the Minister to suggest that they have completed their New Deal is the most misleading statement I have heard in this Assembly.

SOME HON. MEMBERS: — Hear, hear;

MR. LOKEN: — Obviously, this Budget is as inadequate as the speech the Minister made while presenting it.

I will support the amendment proposed by the Member for Wilkie (Mr. McIsaac).

SOME HON. MEMBERS: — Hear, hear;

HON. A. E. BLAKENEY: (Premier): — Mr. Speaker, I won't detain the House over long on this occasion. Ordinarily I would take some time to rebut the arguments put by Members opposite, but there has been so very, very little to rebut that I think that it will not be useful to spend much time.

I first want to compliment the Minister of Finance on what I say is a good Budget, well organized, well delivered and well conceived.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — I am proud to have him as a colleague. I know all Members opposite wish that they had colleagues of similar ability. I am proud to have him as a Member of a caucus, which clearly has men and many men of ability.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — I was interested in some of the comments made by Members opposite — the Member for Athabasca (Mr. Guy) made an aside about whether or not sociology was an appropriate subject to teach in a community college. I don't know whether he studied

March 14, 1974

that when he went to college on his student loans, but perhaps he will enlighten the House on that when he enters this debate.

I noted the Member for Lumsden (Mr. Lane) defending the position taken by the Economic Council of Canada. I noted his defending the position taken by the Economic Council of Canada that governments across Canada shouldn't be raising old age pensions. Well, that may be their policy; that may be Liberal policy, but it is not the policy of the NDP.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — I noted his defending the position taken by the Economic Council of Canada that none of these social programs should be expanded. Veterans' pensions, they shouldn't be raised; payments to people who are blind and disabled — they shouldn't be raised. That may be the policy of the Economic Council of Canada; it may be the policy of the Member for Lumsden; it is certainly not the policy of the New Democratic Party.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — The Economic Council of Canada has been against spending on all social programs, spending on education, spending on health. If you asked the Economic Council of Canada, they wouldn't approve of the Community College program — Members opposite don't. They wouldn't approve of the dental care program for children — Members opposite don't.

I say that Members opposite may object to the dental care program. Members opposite may object to the Community College program. They may join with the Economic Council of Canada in saying that expenditure on social programs are bad, but soaring profits of oil companies are good. That may be their position, but it is not the position of the New Democratic Party.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — Members opposite, I think, have not read the report of the Economic Council of Canada if they say that the Economic Council of Canada was directing its remarks only to what may be called social welfare. The Economic Council of Canada was decrying all increased expenditures in the realm of service to people — health, education, welfare — and I invite Members opposite to read that report.

I know that Members opposite will probably stand in this House and say that they approve of the Dental Care program for children. They will, of course, however, disapprove of any staff to carry out this program. Members opposite have, at times, suggested they believe that we ought to have a dental care program for children. What Member opposite has suggested that we ought to have 200 or 250 employees to carry out that program? Everyone on that side of the House has suggested that to have any more employees is a bad idea.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — Hear, hear, they say. According to them we should not have dental nurses; we should have a program without nurses.

We should have a program without dentists. I think it is pretty clear to Members on both sides of this House, and particularly to the people of Saskatchewan, that these shallow statements by Members opposite that they approve the program but they disapprove of the spending, and they disapprove of the staff, are statements which are hollow and which characterize Members opposite as being insincere in their support of these social programs.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — Mr. Speaker, I want particularly to touch on two or three topics tonight.

MR. STEUART: — Alcohol;

MR. BLAKENEY: — Mr. Speaker, it's perhaps not a bad idea for me to say something about alcohol. I will say a few words. I will have to summarize it because time is a little shorter than I would like it to be. I want to say a few words about our growing problems as they are related to beverage alcohol. And when I say, our, I am not talking about Saskatchewan only but all of Canada's and North America's and, indeed, the world's. Governments everywhere in the developed world are searching for ways to lessen the human and social damage associated with alcohol consumption. I know that everyone in this House shares that concern.

The party opposite, when it was the Government, reflected that concern by setting up the Alcoholism Commission in 1968. In the spring of 1971 that Government further moved by setting up a Committee of this House, a special Select Committee, to study liquor regulations. This was reconstituted in 1971, when the Government changed.

The report of that Committee confirmed for all of us the serious nature and extent of alcohol related problems in every aspect of our lives.

In the first full Session certain changes were made in the laws; certain changes were made on the unanimous recommendations of the Committee, changes such as, adjusting the age of majority so that it corresponded with that of Manitoba and Alberta, and you know the other changes. All these were made with the unanimous consent of Members on both sides of the House. For good or ill this is the way it was done.

MR. BOLDT: — . . . members . . .

MR. BLAKENEY: — Not all Members of the House, but all members of the Committee; and I invite the Member for Rosthern (Mr. Boldt) to check.

In the Speech from the Throne, last November, this Government reported that we had given and continue to give careful consideration to the recommendations of the special committee. We are moving to act on some recommendations, as my colleague, the Minister of Health has noted. We have serious doubts about some of the other Committee recommendations as I indicated in my remarks in the Speech from the Throne. I have very grave

March 14, 1974

doubts about those which would have the effect of making beverage alcohol much more widely accessible. I indicate that in the Speech from the Throne, and I say it again today.

I want to say that this Government believes that any such broad changes at this time would be unwise. We will continue to give consideration to modifications in the present system. There will be small modifications here and there to eliminate anomalies, but we do not plan any broad changes which would have the effect of making beverage alcohol more accessible in a major way.

We agree with the Special Committee that no commercial advertising of beverage alcohol should be permitted in Saskatchewan. We have no intention of changing those rules. We agree with the Committee that the Government should launch an extensive alcohol social health education program, using the mass media and other resources that will foster community involvement. That will be done. \$500,000 is allocated in the Budget for this purpose in its first year. We would hope that the program would be a more massive program than a program based upon \$500,000 per year. We recognize that the program will not be fully launched by April 1st, and, therefore, although the \$500,000 will be adequate for the coming fiscal year, it will not, I think, indicate the size of the annual program.

Mr. Speaker, this is uncharted ground. Our objective is to raise the level of awareness about the dangers of alcohol and convince people to adopt a more responsible attitude towards the use of alcohol. We will be drawing on experience elsewhere—in this program. Let me say that there is very little to draw on. We will involve key groups and individuals in Saskatchewan in planning and executing the program, including the beverage industry itself, and the mass media. We will use the best research we can assemble to help guide the program and measure its result. But I can't promise any immediate or dramatic results. It will take time and experimentation because there is no magic formula to persuade people to change their attitudes and habits. We will be pioneering, Mr. Speaker. Where the cause is important enough, we have pioneered before, and we will do it again.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — This extra half million will be in the Department of Public Health. The Budget will also be increasing the grant to the Alcoholism Commission by more than half a million dollars. This will be in addition to provided capital funds for a new alcohol treatment centre in northern Saskatchewan.

Let me just digress for one moment to say that the program of public education in the Department of Public Health will not be directed primarily at alcoholics. It will be primarily directed at people who may be social drinkers or may, indeed, not be drinkers at all to warn them of the dangers of the abuse of alcohol.

The increased amount of money directed to the Alcoholism Commission will be for rehabilitation and treatment and it will be directed to those people who suffer from the disease of alcoholism primarily. This is not, of course, true with

respect to the great mass of the population.

To deal with alcohol education treatment and rehabilitation in the coming year, Mr. Speaker, this Budget provides \$2.3 million, a 400 per cent increase in three years.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — On a per capita basis, this amounts to \$2.50. Only two other provinces in Canada spend more than this, Mr. Speaker. This is not to say that we should pride ourselves, or whatever phrases may have been used in this debate. I take no pride in a figure of \$2.50, but I say it is a start. As I say it will make us number three in Canada. I hope that we can, by this means, and by future increases in other years, mount an appreciable assault against the abusive use of alcohol.

Let me, Mr. Speaker, turn to another aspect of the Budget, the Urban Assistance package — the non-assistance package, I think it was referred to by the Member for Lumsden.

I marvel that any Member of the Liberal Party would talk about assistance to urban areas. For seven years people talked about the need for unconditional grants. For seven years the associations, particularly the Saskatchewan Urban Municipal Association, asked governments for unconditional grants. Yes, you can make it nine years, because they kept asking us for them.

We, in our first two years of office, directed substantial funds into local government at the school level. And notwithstanding the comments of the Member for Rosetown (Mr. Loken) school mill rates have been effectively stabilized at 43 mills.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — In addition to that, massive sums have been directed actually into the hands of the taxpayers in the form of Property Improvement Grants. I think the time has come to assist local governments and particularly urban local governments in discharging their responsibilities. As the Minister of Finance has said, the introduction of this new system of urban grants marks a brand new era in urban financing in Saskatchewan.

I was pleased to hear the Hon. Member for Wilkie welcome the urban package, however grudgingly, I noticed that he hurried on to other matters as well he might. Because in the days when he sat on this side of the House and the days when he was Minister of Municipal Affairs, he and his colleagues doled out municipal assistance in nickels and dimes. A nickel for snow removal, a dime for police protection, that was very nearly their speed. The only thing that that government contributed to was municipal poverty, Mr. Speaker.

A look at the mill rates, the soaring mill rates during their period of office will indicate that. I said this is a new era in urban financing. Let me illustrate just how new, Mr. Speaker.

What will be the impact of the urban package on my home

March 14, 1974

city of Regina. Just how much new money will Reginans receive? Let's start with the unconditional grant, \$10 per capita for operating .expenses to be spent as the people of Regina and their elected council decide. .

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — \$1.4 million in new money. Then there is the equalization grant with which is a combined new formula to replace the police protection grant. .In 1974-75 Regina will receive in this package about another \$1 million, Mr. Speaker.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — Last year the police protection grant was just over \$200,000. So that million dollars is another \$800,000 of new money. The only existing grant other than police protection which is now being replaced by this package is the snow removal grant of \$140,000 a year.

So when you balance out the basic operating grants, remove some of the categorical grants as the municipal associations have asked and replaced them by unconditional grants as they asked, the net gain to the city of Regina is close to \$2.1 million. This is in operating alone. When you add to these funds Regina's share of the urban transit assistance which I estimate at perhaps \$300,000 a year, the net increase in operating funds for the people of Regina will be \$2.4 million — \$2.4 million in new money. But that is not all, Mr. Speaker. There is the unconditional grant from the Community Capital Fund, up to \$75 per capita over five years, or an average of \$15 per capita each year. The only requirement is that the city develop a pioneer capital program. Priorities will be determined by the people of Regina.

If Regina makes full use of their entitlement as I am sure it will, it will receive an average of \$2.1 million per year. \$2.1 million that does not have to be raised through property taxes. \$2.1 million in new money, Mr. Speaker.

Let me summarize. Unconditional grant — \$1.4 million: equalization and police — \$1.1 million: Community Capital Fund — \$2.1 million; transit — perhaps \$300,000. You get a gross annual total of \$4.9 million. Grants replaced — \$350,000. Net increase \$4.5 million every year.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — \$4.5 million in new money — the equivalent of at least 18 mills, Mr. Speaker. When you combine this level of increased assistance with the unconditional nature of he grants, you have a package that does indeed signal a new era for all urban municipalities, Mr. Speaker.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — The Community Capital Fund will provide millions for capital projects. Reginans alone, as I said, will draw over \$2 million a year, more than \$10 million in total. A part of this fund together with other funds available could very well

provide the money for a new city hall. That is, of course, up to council, but that is a project I should like to see council consider, the type of project for which the fund was designed to provide. A new city hall could be part of a larger plan to revitalize downtown Regina. The provincial grant would be a part of the whole package. The Provincial Government would be interested in any civic proposals to renew the downtown core. We would like to see Government agencies dovetail their plans with the civic plans so we get the most benefit. I am asking the provincial staff to work closely with local officials of the city if the city wants or wishes it that way.

The capital funds provided in this Budget offer new and exciting prospects for Regina and its citizens. Of course what is true for Regina is true for other urban centres.

Mr. Speaker, in the years ahead this Budget will be remembered as the Magna Carta of Saskatchewan urban centres.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — Mr. Speaker, I mentioned that there will be urban transit grants. We believe that urban transit must receive more attention from senior governments. Incidentally, I am very glad to see that the Federal Government agrees with this. I am very hopeful that something can be worked out with the Hon. Mr. Basford, with whom I trust I and some Ministers will be meeting in the next two or three weeks.

In national terms, our cities are not large. But they are large enough to have transit problems. Large enough to suffer from many of the ills arising from too great a reliance on the private automobile.

Even before the growth of public awareness of the dangers of pollution and the problems of likely energy shortages, high prices at least for energy, thoughtful people were concerned about too great a reliance on the private car. Since we have come to appreciate the growing problems of pollution and energy supply, this concern has grown.

The Government of Saskatchewan has for many years assisted with urban transit but they have done it by grants for streets. This benefited primarily the automobile user. That is perfectly proper as the automobile is part of our daily life and is going to stay part of our daily life. But the time has come I think to balance this by providing assistance for the public transit user.

Transportation is at the very heart of modern urban life. It does little good to provide recreation facilities if the people can't get to them, little good to provide educational facilities — universities where they teach sociology — if people can't get to them. It does little good to provide parks and rinks if people can't get to them. Recreation, education, retail trade, all need a healthy public transit system. The Government has decided to provide cash to help the city transit systems. We will be talking with the urban centres about how this cash should be spent. But for my part, I would like to see the money spent in the way which will contribute to more use of the transit system. I believe that my home city of Regina will benefit most from a transit grant, if that transit

March 14, 1974

grant is spent in a way which will encourage more people to use the transit system. A transit system carrying more people, more students for recreation, more senior citizens, more shoppers to the stores.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — I would like to see the money used to cut the cost of senior citizens' passes — perhaps \$5 per month. To cut fares for students.

AN HON. MEMBER: — That's Henry's area. (Mr. Baker, Regina Wascana)

MR. BLAKENEY: — That's right and it's a good idea, and it is not my idea.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — To institute some off peak shoppers' special fares. I want to see our bus system offer free travel on regular buses on special days. On Saturdays for example.

AN HON. MEMBER: — You said all that when you were in opposition.

MR. BLAKENEY: — This is the great fact about the New Democratic Party that Members opposite really can't grasp. It is true that we said this in opposition. What Members opposite can't really appreciate is that when we are in government we are providing the money to do what we promised in opposition.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — Mr. Speaker, we will be working with the cities to help the urban transit systems carry more people to more places in growing active communities.

Mr. Speaker, I had intended to report a little more fully than I think time will permit on the dealings between the Government of Saskatchewan and the Government of Canada on matters respecting oil and energy. Last December I outlined Saskatchewan's policy on oil; its main objectives of conservation, discovery of more oil and getting the maximum return for Saskatchewan people for a depleting resource.

I said then that Canada had no oil policy and if ever there was any doubt about that in December there was no doubt about it in January. We went to the oil conference; all we came out of the conference with was a 60 day accommodation.

We went to the conference with a series of proposals which I believe had they been adopted would have set us on the road to a national energy policy.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — Even more, it would have set us on the road to a national

development policy.

Members will remember in essence what our position was. Oil is a resource which belongs to the provinces; a producing province like Saskatchewan is entitled to receive fair value. We agree that Canadians should be sheltered from the world price. We don't agree that that shelter should be paid for only by the oil provinces. We believe that the subsidies should be paid by all Canadians based on their ability to pay. We asked another question. We said, yes, we agree on equalization of oil prices across Canada, but why just oil? High oil prices will cause problems for Ontario industry. But Saskatchewan industry has had problems before from high and unfair freight rates. If we are going to shelter Canadians from world oil prices, let's apply the equalization principle to other key commodities. So that provinces like Saskatchewan, like Manitoba, like the Atlantic Provinces can have more manufacturing. And indeed provinces like Alberta which are short in manufacturing.

We pointed out that no one has suggested that Ontario sell its tractors or British Columbia sell its lumber at less than world market prices and there is no reason why we should sell our oil at less than world market prices unless there is a good quid pro quo.

I don't need to tell you the reception we got; that is history now. You know what the Federal Government proposed, the almost incredible proposal put forth by Energy Minister Macdonald. What the Federal Government proposed basically was that the revenue from crude oil should be taken by the Federal Government, even though it had no legal power to do so, and be used to keep down the prices of oil in the Atlantic Provinces and see that people in Ontario got the benefit of it. It didn't stop there. Here is how they were going to use some of this money. They were going to raise prices from \$4 to \$6 a barrel — with, that \$2 they were going to keep Ontario prices down, Quebec prices down. They were going to use some of it to provide capital funds for the Federal Government, some of it to make equalization payments to Quebec and Saskatchewan and some of this pool of Alberta and Saskatchewan dollars, \$500 million in fact, was to go to the private oil companies, who are already reporting record profits.

All this was going to be paid out of this rubber \$2. After the Federal Government had distributed all this money we were going to get some back, about perhaps \$1.20. Quebec would get more money out of Saskatchewan oil than Saskatchewan would Ontario, our richest province, would contribute nothing and actually receive a subsidy from us. Even Alberta, a richer province than us would get more per barrel than would Saskatchewan.

This proposal would increase regional disparities not reduce them. It was a formula for inequality; We objected in the strongest possible terms.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — And I hope, Mr. Speaker, we won't be hearing about that proposal again. I believe from consultations with the Federal Government that they have abandoned that position and will be putting forward what I think is essentially a more

March 14, 1974

realistic position.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — On Tuesday last week, I had lunch with the Prime Minister and we talked about oil and energy. We talked about western Canada . . .

AN HON. MEMBER: — Who paid for the lunch?

MR. BLAKENEY: — Well, I don't know. The day before he had had lunch with Premier Lougheed and on Tuesday I guess we got the leftovers.

SOME HON. MEMBERS: — Hear, hear;

MR. BLAKENEY: — The food was pretty good, but I still think we got the leftovers.

On Wednesday, the day after that lunch, the Prime Minister addressed a fund raising banquet of the Liberal Party. He talked about inflation. And he blamed inflation on guess who? Guess whom he blamed inflation on — the Government of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — Because we object to selling our oil at under world market prices somehow it is our fault. You know that western Canadian crude — Alberta crude is moving to Ontario now at the lowest crude prices in the world. In Saskatchewan we are receiving a little more, a dollar a barrel more, but still below world prices. Very naturally we want to raise our prices. In fact, we are determined to raise those prices. The Prime Minister wants us to fight inflation by not getting the world market price for our oil. And incidentally we won't get the world market price for our oil, and probably shouldn't get the world market price for our oil, in the larger Canadian sense. But it is absolutely unreasonable to suggest that we should in Saskatchewan, Government and industry alike, be accepting a price of \$5 a barrel in the interests of fighting inflation when other people are singularly insensitive to the prices they are charging us.

It is understandable from his point of view but we would like to see the Prime Minister give some attention to other people in Canada who are not getting the lowest price in the world for their products and in many cases are getting just about the highest prices in the world for farm machinery, for tires, for chemicals, for lumber, for pulp, for gold.

Another problem and one that has implications far beyond oil is whether or not the constitution means what it says, the natural resources belong to the provinces.

I think that fact is virtually unassailable. The question then becomes; do the people of this province have the right to receive full value for their property. The answer I think is, yes. I think that follows as night follows day. Because if it is not true for oil will it be true tomorrow for natural gas, for coal, for potash or even for wheat?

Let me be perfectly clear, we believe the people of Saskatchewan have the right to control their resources, to receive the full value for them. We think that is a matter of principle. We won't willingly give up that principle. At the same time we recognize the need for all Canadians to be assured of adequate oil supplies. We support the idea of a national policy which will guarantee Canadian self-sufficiency in oil. We agree that Canadians should be able to buy oil at less than resent level of world prices, and we agree, reluctantly that perhaps some of the shelter should come from oil revenues. But if we are going to give up some of our rights as a province, we insist upon real and tangible benefits in return.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — Benefits like a national transportation policy which will specifically help us to develop secondary industry; like a firm commitment from the Federal Government to see that the processing of primary products originates as near as possible at the source of supply. This, Mr. Speaker, is our bargaining stance. We think it's reasonable, we think it's time that the National Policy of Sir John A. MacDonald, which decreed that western Canada should provide cheap food for export and have its market for goods manufactured in central Canada — across all of Canada — should be buried, buried once and for all and buried now.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — We think that enough promises have been made about doing away with regional disparity. We think we should now see some action; we don't despair. I think we are getting some action, but this obviously is something that's going to have to be carefully pursued. If we can get some solid action in return for oil, we intend to do so. Not that I think it will come quickly — my guess is that there will be a further accommodation in oil pricing reached in the next few weeks. I suspect it will be for a longer period than 60 days. It will, I am sure, permit the Canadian price of crude to go up, perhaps in stages, to a price approaching the North American price. I hope it will be possible to include in any such accommodation some first steps in meeting western demands for more processing upstream, for more secondary manufacturing. But when all this is done we still won't have a national oil policy, much less a national energy policy. That will have to be hammered out in the months to come — not with a sledge—hammer, Mr. Speaker. Any true national energy policy must be put together with care and with the interests of all the people of all regions of Canada in mind. But I, say this, Mr. Speaker, in hammering out such a policy the Government of Canada intends to strike a blow, and indeed more than one blow, for the people of Saskatchewan and western Canada.

SOME HON. MEMBERS: — Hear, hear:

MR. BLAKENEY: — Mr. Speaker, I propose not to dwell on any other topics. I think from the course of my remarks you will appreciate that I will be opposing the amendment, but supporting the motion.

Debate adjourned.

The Assembly adjourned at 9:45 o'clock p.m.