

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session - Seventeenth Legislature**  
**30th Day**

**Friday, March 15, 1974**

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

On the Orders of the Day.

**BY-ELECTION IN DIVISION 5 OF NORTHERN MUNICIPAL COUNCIL**

**Hon. G. R. Bowerman** (Minister of Northern Saskatchewan): — Mr. Speaker, before the Orders of the Day I am sure that the Members of the Assembly will be interested that the by-election in the Division 5 of the Northern Municipal Council which was caused by the tragic air crash over the Christmas season last year, was contested by seven candidates on Wednesday last and the successful candidate was a young Cumberland House man by the name of Leon McAuley.

Leon is a young man and resides in the community of Cumberland House. I know that he will add greatly to the Northern Municipal Council. I certainly welcome him on that council and I am sure all Members of the Assembly would like to do the same.

**Hon. Members:** — Hear, hear!

**SUBSIDY FOR CATTLE DELIVERED TO SLAUGHTER HOUSE**

**Mr. D. G. Stuart** (Leader of the Opposition): — Mr. Speaker, I have a question to direct to the Premier but before I do I know all Members will join with me in welcoming the very happy news that came out of Ottawa this afternoon announced by the Minister of Agriculture, the more brilliant member of the Whelan family, Eugene. The Federal Government is going to pay a subsidy of 7 cents a pound live weight for all cattle delivered to slaughter houses.

**Some Hon. Members:** — Hear, hear!

**Mr. Stuart:** — Retroactive to March 4th. It shows once again the Federal Liberal Government is listening to the Saskatchewan Liberal Party who has pushed for this.

**Some Hon. Members:** — Hear, hear!

**Mr. Stuart:** — There are two or three other points in our program that I expect to see announced very shortly but they are listening to us and they are tuned into the needs of the cattlemen much better than the Government that sits opposite.

**Some Hon. Members:** — Hear, hear!

**QUESTIONS**

**Strike by Government Employees**

**Mr. Stuart:** — Mr. Speaker, I have a

question to direct to the Premier.

I presume the Minister of Labour (Mr. Snyder) and the Premier (Mr. Blakeney) and others crossed the picket line that has been put up around this building by Government employees who are attempting to have justice done to them to get a 40-hour week with the same take-home pay, exactly the same treatment that we give to all workers in this province by law. Now I had a phone call from Buffalo Narrows from people up there, including the Mayor. They have put up a picket line, and quite rightfully so, at the bridge or the ferry, they have stopped operating the ferry, with the result that I am told there is fuel oil and some food on the south side of the ferry being denied to people of Buffalo Narrows and this could develop very rapidly into a serious problem. The Mayor or my informant there tells me that it is 20 degrees below zero and it could be a very serious predicament there very shortly.

Now my question to the Premier — will he step in? Will he tell this House and the public, that he will step into this dispute and see that justice, just ordinary, common justice is done to his own employees? If we can do it for everybody else in the province surely these people now should be given justice. Will the Premier step in and end this very serious injustice being done to these people and allow them to go back to work and allow normal services to be resumed across this province?

**Hon. A. E. Blakeney** (Premier): — Mr. Speaker, the Leader of the Opposition has asked a number of questions and with respect to them, one by one: I will say first with respect to Buffalo Narrows.

Presumably if the Mayor of Buffalo Narrows gets in touch with somebody in the Government and outlines the problem we will certainly give it our attention. It is obvious that if he got in touch with the Leader of the Opposition, which the Leader of the Opposition was careful to say he did not do, but his informant, then it occurs to me that the problem is in the political arena rather than in the arena of getting food and oil to Buffalo Narrows.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — With respect to the other issues of whether or not I will step in on the negotiations, I think the negotiations are in the very capable hands of the negotiators on behalf of the Government: Mr. Fyles, who will be known to you, under the direction of the Minister in charge of the Public Service Commission, Mr. Taylor. I venture to think that no intervention on my part will add anything in particular to that array of talent. May I say that difficulties are very much complicated by the fact that over the years employees have worked very long hours. Notwithstanding the provisions of The Labour Standards Act of 1969, passed by Members opposite when they were the Government, which provided that no one in this province should work more than 44 hours, we found when we came to power that Government employees were working not 44 hours but 48 hours and 50 hours and many more hours. We have set about to reduce those, unlike Members opposite who put on the Statute Books provisions for 44 hours and had their employees working 60 and 72 hours and did nothing about it during their entire term. We have started out to do something about it and I venture to think

that at the end of this contract most Government employees will be working 40 hours and the way will be set for all Government employees to be working about 40 hours a week and that will be in sharp contrast to the performance of Members opposite when they were on the Treasury Benches.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, a supplementary question. You know we can go back in history and we can go back to the 20 years the CCF Government didn't do this, we can go back and say what we didn't do. A very interesting thing, we were defeated, it seems that the Members opposite forget that, for doing maybe just that sort of thing. So I suggest this Government quit looking backwards at what we did and quit taking that as their yardstick and start to look ahead a little. I am saying that it is time justice was done to these people. It isn't good enough for the Premier to play cheap politics by referring to what has happened in the past when the livelihood of these people is at stake. My question is this: Is the Premier going to quit playing cheap politics and give these people ordinary common justice that he has already guaranteed to every other worker in the province? Never mind what has happened in the past, what is he going to do in the future?

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Mr. Speaker, I doubt whether anyone is more of an authority on cheap politics on labor matters than the Member for Prince Albert West.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Now I say to him and I say to this House, that we are genuinely tackling this problem. I have said at previous times that I don't expect to settle all labor disputes without dispute. I don't expect that. There are going to be strikes, there are going to be work stoppages in public employment and we shouldn't regret that. That is part of the collective bargaining process which Members opposite took away from public servants. May I say that if there had been a strike when Members opposite were in power their first move would have been to run to Bill 2 and run to compulsory arbitration.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — We are pursuing the route of fair play and we are pursuing it by negotiations at the bargaining table. Those negotiations aren't always going to be successful; there are going to be pressures and there may, in fact, be work stoppages, but I venture to think that before long we will have a settlement and a settlement which the members of the Saskatchewan Government Employees' Association will think is fair and reasonable under the circumstances.

**Some Hon. Members:** — Hear, hear!

## Exporting of Saskatchewan Oil

**Mr. J. G. Richards** (Saskatoon University): — Mr. Speaker, I have a question which I should like to address to the Minister of Mineral Resources (Mr. Cowley).

When the Premier spoke during the Throne Speech Debate he referred to reducing oil leaving the province, he referred to saving Saskatchewan oil for the 1980s and the 1990s and not shipping it down to Minneapolis and Chicago. This week the Premier also stated this position which I think is basically sound and it was reported in the *Leader-Post* the 13th of March, 1974, when he referred to Saskatchewan having oil for up to 35 to 40 years. However, simultaneously the Minister of Mineral Resources put out a release which was reported in the same issue of the paper, opposite page, to the effect that he was pleased to hear about the National Energy Board having upped, by 45,000 barrels per day, Saskatchewan's permit to export oil to the United States. I think there is some problem of reconciliation of the Minister of Mineral Resources and I should like him to put his not inconsiderable political abilities to try to reconcile the two statements.

**Hon. E. L. Cowley** (Minister of Mineral Resources): — Well, Mr. Speaker, I am sure the Member opposite is aware that what I will call the American midwest market has been a major market for Saskatchewan oil for some time and as a result the American midwest market has become dependent upon western Canadian crude oil. The transportation lines, etc., are designed to carry western Canadian crude oil to refineries in the American midwest, some of which have been designed specifically to use certain kinds of Saskatchewan crude oil. It is with a view to increasing the production of particularly the sour crudes that this, what I might call extraordinary allocation of Saskatchewan crude oil, was made basically to the American midwest. The other additional allocation was a light crude, which is sweet crude, which was made into eastern Canada.

I think for the Member to suggest that in this time of shortage in eastern Canada and this time of shortage in the United States, Saskatchewan, which has had a traditional market in these areas and has traditionally been a supplier, should cut off people on either side of the international border, I don't think is a realistic solution. I think we also have to take into consideration the position of our producers in Saskatchewan.

Any moves toward conserving Saskatchewan oil certainly cannot be done on an ad hoc basis in one or two months but rather we have to look at a long-term approach to supplying oil for Saskatchewan people. That has to come preferably by expanding our own recoverable resources as our first choice. As our second choice and hopefully this will be forthcoming, a national energy policy in which we can see Saskatchewan guaranteed a supply of reasonably priced petroleum for Saskatchewan residents. And, third, I think the course of action which we have to look at if neither of these are forthcoming, then I think we have to look at a long-term policy of conserving for Saskatchewan residents the crude oil we have in the province. But I think that we can't deal with these questions today by cutting back our production by 50 per cent regardless of the consequences to

people who have been traditional customers and regardless of consequences to producers in Saskatchewan. I see nothing inconsistent with an interim or temporary program which deals with the things facing us and at the same time talking about and planning for future conservation.

**Some Hon. Members:** — Hear, hear!

**Mr. Richards:** — A supplementary question, Mr. Speaker. As a very famous economist once said, “In the long run we are all dead.” Is the Minister prepared then to say that this statement constitutes a breach of the policy outlined and implied by the Premier in the Throne Speech Debate last December which very clearly implied that as of now we were going to reduce our oil exports to the United States out of this province when we only had a nine-year life index of crude oil remaining in the province?

**Mr. Cowley:** — No, I am not prepared to say there is a contradiction.

### **Land Bank and Lease Land Allocations**

**Mr. E. F. Gardner** (Moosomin): — Mr. Speaker, today I would like to ask a question of the Attorney General (Mr. Romanow). In view of the evidence presented in this House last evening by the Member for Morse (Mr. Wiebe) of ministerial interference in Land Bank and lease land allocations, would the Attorney General consider a judicial inquiry into these allocations?

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — I think questions and statements made in debate should be answered in the debate and should not be raised on Questions under Orders of the Day.

### **STATEMENT**

#### **St. Patrick's Day**

**Mr. E. C. Whelan** (Regina North West): — Mr. Speaker, I wonder if on behalf of St. Patrick that I could say that my brother is a very ordinary person, he is just a Liberal.

**Some Hon. Members:** — Hear, hear!

**Mr. Whelan:** — I spent Wednesday with him, I took him to the woodshed, after all we have the balance of power in Ottawa you know.

Mr. Speaker, these attractive plants on our desks resembling the shamrock clover of the Emerald Isle remind us that St. Patrick's Day will be over before we meet again. On this day everyone pays tribute to the Irish because it is impossible to ignore the contribution, these personable and imaginative, intelligent, attractive and industrious people, have made to our province.

Mr. Speaker, to the Irish in our province, good luck, top

of the morning, best of everything on March the 17th, and that even includes the Federal Minister of Agriculture.

**Some Hon. Members:** — Hear, hear!

### **Highway Conditions**

**Hon. E. Kramer** (Minister of Highways): — Mr. Speaker, there have been several questions asked before and possibly more later and if I may I should like to read a short statement regarding the road situation. I think it is pertinent and I believe the question in people's minds that we should be informing the House — do it after air time. It's your pleasure, Mr. Speaker.

**Mr. Romanow:** — Mr. Speaker, the suggestion made by the Hon. Member and the Minister of Highways that we might postpone the rest of the business of the day until later this day and proceed right to the Special Orders.

**Mr. Kramer:** — Mr. Speaker, normally I might say that the report on roads that are open and roads that are closed might be more useful than anything that might ensue further. I think the people of Saskatchewan might be interested on air time to know what is happening.

**Mr. Speaker:** — You put the Speaker in a bad position because it is within the rules for Ministers to make statements on the Orders of the Day. By the time today is over there will not be any time left to take up Questions or other Statements after the debate is concluded and the vote is taken. It is agreed we proceed with Special Orders.

## **ADJOURNED DEBATES**

### **Budget Debate**

The Assembly resumed the adjourned debate on the proposed motion of 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. J. R. Kowalchuk** (Minister of Natural Resources): — Mr. Speaker, it is both an honor and a privilege for me to have the opportunity to participate in this Budget Debate. I am confident that most Members of this Assembly have a much greater enthusiasm over this type of document as opposed to some of the Black Friday addresses we used to get from this side of the House when the Opposition sat in the Treasury Benches.

**Some Hon. Members:** — Hear, hear!

**Mr. Kowalchuk:** — These were balanced budgets in those days, Mr. Speaker, balanced by the blood and the sweat and the heavy taxes placed on the backs of the people of Saskatchewan by those Saskatchewan Liberals, Mr. Speaker.

March 15, 1974

Last Friday was a great day for Saskatchewan people, last Friday was the Saskatchewan Budget day, it was a day of jubilation for the great majority of the common people of this province for in that "Robbin's Budget", one could foresee the many positive and dynamic changes which would occur in Saskatchewan as a result of this multidirectional budget.

Yes, this could easily be interpreted as an election Budget and I would gladly go to the people on it. However, it is significant that the Budget is not an 'election eve' document at all. That it completely fulfils the New Deal for People is secondary, Mr. Speaker. What is significant is the fact that this Government is not preoccupied with the pre-packaging of election goodies just before the public of this province is prepared to go to the polls. No, Mr. Speaker, this Budget is chapter three of our four-year program. Over the next year we, as a Government, will work diligently in implementing the many existing and new programs which are reflected in this Budget and we will work towards new policies and programs on behalf of the people of Saskatchewan.

Mr. Speaker, I would now like, in a little more detail, to deal with what I consider to be some of the major thrusts this Budget reflects. To begin, I make reference to our number one industry — agriculture.

The fact that the Department's budget has been increased by over 46 per cent shows clearly where we, on this side of the House, stand with respect to the farming population of this province. I am sure most Members of this Assembly will never forget the insensitivity and the arrogance of the former Liberal Government of this province whenever it came to helping out the farmer and his family.

Not only did the former Liberal administration of this province do little or nothing to help our farming community, but they openly jumped on the federal band wagon as it toured the Prairies attempting to peddle such infamous schemes as Operation LIFT, which screamed, "Don't grow more wheat;" the stabilization plan which would have stabilized agriculture at a "poverty level"; the task force report which said, "Two out of every three of you farmers must go", and other such programs.

Mr. Speaker, if there is one single memory of the former Thatcher government when it came to agriculture policy in Saskatchewan, it would have to be its total inaction towards the Saskatchewan farmer in those very difficult and trying times of 1967, '68, '69 and '70.

But, Mr. Speaker, there was hope on the horizon! There was a provincial election coming up and yes, there was an alternative. That alternative was the New Deal for People. That alternative promised hope, but more important it promised action. We all recall too vividly how Liberal candidates in that election scurried around the province attempting to scare farmers. We all recall how they stood, and how they stand today, with respect to the Land Bank. They said it was a communist plot, Mr. Speaker.

No, the Liberal Party's only agriculture policy for Saskatchewan, then and now, is to criticize what we, on this side of the House, propose to do for Saskatchewan farmers.

I am proud of what has been done in three short years. I

am really proud. And, Mr. Speaker, the farmers of this province are thankful they have a government and a Minister of Agriculture with the dedication and the determination to move ahead with the policies and programs necessary to ensure economic stability for future generations of Saskatchewan farmers.

In the 1971 election campaign, our party promised to check rural depopulation by bringing in necessary support programs to encourage rural residents to remain on the family farm. The FarmStart Program, the Land Bank Program, the hog subsidy, not forgetting that, and other positive policies, are having very positive effects on stabilizing farm life and farm income and thus are having a great effect on the stemming of the decline of the farm population.

Unlike the Liberal Party, both provincially and federally, who sold the farmers down the drain with their inept policies, this Government rolled up its sleeves, soon after assuming office and started work on the very policies and programs which today are having such a favorable impact on the farming industry.

We all know that the Liberals oppose the Land Bank, but, Mr. Speaker, these are the same Liberals who opposed Medicare, the same ones who opposed hospitalization, the same ones who opposed government insurance and all the other good policies introduced by former CCF governments.

The Land Bank is working. It is a success, it has been successful in promoting the maximum number of family farm units in Saskatchewan and in transferring farms from father to son. Mr. Speaker, I am pleased to see this program, given an additional \$20 million this year. This certainly contrasts harshly with the lean, Liberal years and their bankrupt policies. However, Mr. Speaker, their stand against the Land Bank alone is reason enough for the people of Saskatchewan to never again give the Liberal Party of Saskatchewan the reins of the government.

**Some Hon. Members:** — Hear, hear!

**Mr. Kowalchuk:** — I ask Members of this Assembly to tell the House what the Liberals have done in the past to promote the stability and diversification. Where was the Liberal Party when Otto Lang tried to peddle his LIFT Program, as I indicated before? Where were the Saskatchewan Liberals when their federal partners tried to promote the Task Force Report? And, again, that two out of three farmers must go. Where were the Liberals when Ottawa tried to force a totally inequitable stabilization plan? The answer is clear, the Liberal Party of Saskatchewan does not have an agricultural policy, does not believe in sound agricultural programming, Mr. Speaker, and is more preoccupied with political imagery than program development of any kind.

Mr. Speaker, these new budget proposals for the Department of Agriculture are sound and I give them wholehearted support.

Mr. Speaker, this Budget fully recognizes the development potential of other segments of our economy as well. I commend this Government for the wisdom and foresight by taking advantage of the present provincial buoyancy to move in and develop other segments of growth potential.

I think particularly, of the new emphasis being placed on the promotion and establishment of a viable tourist industry. During the Liberal years, Saskatchewan lost millions of dollars, Mr. Speaker, because nothing was done to generate the industry and develop tourist facilities to attract the tourist dollar. We do not have to work very hard on the natural aesthetics of Saskatchewan. They have been there for generations. However, we must act responsibly in promoting the tourist industry and offer leadership in the development stages.

The inclusion of tourism with the Department of Natural Resources, to form a new Department of Tourism and Renewable Resources is a perfectly natural combination. The lakes, rivers, recreational areas and parks of Saskatchewan have a natural affinity for tourists, be they from our province, from other parts of Canada or elsewhere.

We recognize, Mr. Speaker, that renewable resources are essential to any tourism program. They cannot and should not be administered independently of each other. They must be integrated. This integration will require a very high degree of understanding and administration by all of the people involved. But, Mr. Speaker, I know that the staff and all other personnel in Tourism and in Natural Resources will meet it with clear objectives in mind to make tourism a part of the natural scene of Saskatchewan, without sacrificing the many high standards of conservation or protection which have been built up from years of experience.

I am totally satisfied with the financial provisions in the new Budget for this new Department of Tourism and Renewable Resources. The increases are strongly evident. A total of \$19.2 million for this new department as compared of \$12.4 million spent on the Department of Natural Resources last year.

Last year the tourism branch was allocated some less than a million dollars. This year the new budget for tourism (that is, if you wish to separate them that way, and I personally do not), but the amount even then, is increased to over nearly a million and a quarter. So the increases are evident right down the line. A great improvement over the Liberal years, Mr. Speaker, in placing a far greater emphasis on tourism and renewable resources. It's a great step in the right direction, Mr. Speaker.

Again, I look at the 50 per cent spending increase for Industry and Commerce. Proof once again that we believe this province is something to be proud of and this Government is going to make it possible for industry to prosper. To develop a viable tourist industry, we must provide improved transportation.

The former Liberal Government, yes, they liked to brag and point to their lavish four-lane highways and, Mr. Speaker, this succeeded only in making it possible for tourists to get through Saskatchewan all the faster.

A massive increase in promoting and developing sub-regional routes, increased emphasis on bridge and airstrip construction, and the continuation and acceleration of Operation Mainstreet and Open Roads, will all add to a much improved Saskatchewan transportation system.

For a moment, Mr. Speaker, I should like to address myself to the question of government assistance for municipalities. The \$22 million a year assistance plan must meet the unanimous approval of this Assembly.

Mr. Speaker, this Government recognizes the problems being faced by both urban and rural municipalities in continuing to provide a level of service on a par with the services provided at the present time and indeed provide substantial improvements in many of these service areas. Inflation and rising costs are the real culprits and this Government, unlike Liberal Governments, will not shirk its responsibility by arguing that nothing can be done and this is evident in this Budget.

**Mr. Lane:** — Oh, come on.

**Mr. Kowalchuk:** — Yes, it certainly is evident in this Budget.

We recognize the problems faced by municipal governments. And provincially, we will meet this matter head on and provide the necessary assistance to make sure that municipal services are not jeopardized and had you listened yesterday, when the Premier was speaking and my seat colleague and seatmate Henry Baker was banking his desk real hard, that was proof positive that he agreed with what was being planned in the urban package for cities and for other urban areas of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Kowalchuk:** — We believe in democratic local governments, Mr. Speaker. We are offering municipalities the right to have more say in how capital is spent. We respect their judgment and are happy to be able to be in a position to offer increased assistance.

I could detail the per capita grant — the increased property improvement grants, and the other assistance features of this Budget to municipal governments. However, other speakers have already very adequately addressed themselves in detail to these programs during this debate.

However, Sir, I want to remind the people of Saskatchewan that, once again, it has been this Government, a New Democratic Government which has, through prudent use of its financial resources, managed to minimize the threat of soaring taxation and rising costs.

**Some Hon. Members:** — Hear, hear!

**Mr. Kowalchuk:** — Yes, Mr. Speaker, it has been this Government which once again has come through and delivered to the people of Saskatchewan.

I should also like to comment for a moment on the assistance in this Budget for our number one resource — people. Residents of Saskatchewan are watching very carefully to see how our friends opposite position themselves during this part of the debate when we hit on issues which are of primary concern to them.

March 15, 1974

I congratulate the Government for allocating over \$1 million toward an improved legal aid program; our continued support and assistance for the student employment program; significant increases in the youth and culture departmental estimates; and increased emphasis on consumer protection, all very positive measures in this Budget. And, never has any government in this province ever taken on such a major commitment as the commitment reflected toward the people of northern Saskatchewan.

Despite the insincere attacks the Liberal Opposition has launched against the Department of Northern Saskatchewan, this Budget reflects the increased confidence we have in the Department and in its Minister as we continue to press on with the types of programs and policies in the North which will without a doubt provide a much better economic and social standard for our neighbors living in that part of the province.

Mr. Speaker, I want to spend a moment, as well, commenting on the budgetary provisions for education.

This Government's record over the years has been outstanding and the considerations contained in this document toward education will, once again, build on that enviable record. Education costs money. We believe the investment is worth it. The value of an education needs little debate. This Government faced the reality that it is a costly proposition to implement and assist in bringing about the types of educational policies and programs needed in today's complex and rapidly changing society.

Mr. Speaker, Members opposite scoffed and ridiculed this Government when it promises to stabilize the mill rate at the provincial average of 43 mills for school purposes. They got up in this House and said it couldn't be done, that it was "pie in the sky," that it was impossible.

Yet, Mr. Speaker, we have done it again. School boards will not be forced to raise their taxes as a result of this Budget, in fact, some of them will be able to lower them, which allows for an increase to \$114 million for operating school grants. I am proud of this record. This is the third successive Budget in which our Government has provided a 100 per cent of the increase in recognized school board expenditures. Yes, Liberals said it couldn't be done, Mr. Speaker.

The institution of a province-wide kindergarten program and the funding of a universal driver training program are further notable achievements we support on this side of the House.

Our achievements in health care are profound as well. Members of this Government recognize health care as a fundamental right of all people. The Denticare Program for children recognizes this right and will go a long way in eliminating the problems associated with costly dental repairs.

I congratulate my Government for its generous \$2 million consideration for grants and subsidies for the establishment and expansion of Day Care Centres, another promise kept by the New Democratic Government.

Mr. Speaker, I could go on enumerating the many other things that are in this Budget, that are going to be of much help to the people, however, I think the case is very clear.

This Budget is perhaps the most impressive document ever laid before any Saskatchewan Legislature for consideration. By expanding many existing programs and adding many new ones, we have been able to add immeasurably to the improvement of economic and social conditions for Saskatchewan people. The people in the Melville constituency will be more than satisfied with this Budget. Farmers, teachers, trustees and everybody else will be very satisfied with the Budget as it has been presented by Mr. Robbins.

And because this Budget is consistent with the social consciousness of this Government and will improve the quality of life of Saskatchewan people, I cannot support the amendment. However, I offer to you, Sir, my enthusiastic support for the main motion.

**Some Hon. Members:** — Hear, hear!

**Hon. J. R. Messer** (Minister of Agriculture): — Mr. Speaker, I should like to direct most of my remarks to the local government sector of our province while debating this Budget and I should like to put particular emphasis on the urban municipalities, expand upon the proposals that were made by the Minister of Finance (Mr. Robbins) during his earlier presentation of the Government's budget intentions for the ensuing fiscal year.

Mr. Speaker, before I begin, I wish to say that this whole area would normally have been taken care of by my colleague, the Minister responsible for Municipal Affairs, Mr. Everett Wood, but as the House is well aware, he has been sick for the last several weeks and has not yet sufficiently recovered to participate actively in the affairs of the House, but I am happy, however, to report that he is coming along well and hopes to be able to resume his duties in the very near future.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — In the meantime, Mr. Speaker, the Premier and Cabinet have delegated myself to carry the ball for the Minister of Municipal Affairs and I propose to do just that.

Mr. Speaker, up to now our budgetary thrust was concentrated on initiating measures to revitalize support and enhance our farm economy, our business and our industrial sector and our resource sector for the benefit of all Saskatchewan citizens.

The Members opposite have been and still are critical about our plans, as is to be expected, but only on very rare occasions were any of them able to come up with any meaningful suggestions or changes to our proposals. Indeed, Mr. Speaker, with a good degree of consistency, they opposed some very major and beneficial programs for the agricultural industry in Saskatchewan. FarmStart, Land Bank, crop insurance, Department of Agriculture decentralization, the establishment of orderly marketing systems, not only in Saskatchewan but in the prairie basin and also contributing to the establishment of orderly marketing systems on the national level.

They had nothing to say about the endeavors of this particular provincial government to give aid to those people in

northern Saskatchewan who several years ago were unable to harvest their crops. They had nothing to say and gave no support to the province and the Department of Agriculture working towards a federal-provincial means of recognizing and giving aid to those people who were not able to seed their crops in early 1973.

But, Mr. Speaker, more important, this Government recognizes the need for that kind of recognition and that kind of correction and we have worked towards establishing it, not only for our industrial and agricultural sector, but also for the communities that have been experiencing difficulties in the past and today.

The costs associated with urban growth, replacement of existing facilities and the provision of additional services have put excessive pressure on the financial resources of many centres in this province. The demand for services at the municipal level and their related costs have grown at a faster rate than property assessment which is the main source of revenue for urban centres. As a result, councils have either been forced constantly to increase their mill rate or alternatively reduce the level of services provided. The problem that urban centres are having did not just occur yesterday or today, Mr. Speaker. Indeed, they have been building over a period of time. Therefore I should like for just a moment to digress and talk about how the Liberals dealt with the problem when they were in power.

At the outset, I think it is fair to say that the Liberals treated the municipalities with contempt. With contempt, Mr. Speaker. Between 1964 and 1971, four different Liberal Ministers held the portfolio of Municipal Affairs. During their short tenures, these Ministers hardly had time to meet their staff, let alone to begin to understand and deal with the problems at hand. With this game, Mr. Speaker, of musical chairs in progress, it is little wonder that nothing new or innovative emerged from that Department for those municipalities. Municipal Affairs was simply a training school for Ministers. If they showed promise, promise by whatever standards were used at that time, they were immediately transferred to another portfolio. This performance by the Liberals clearly shows the low esteem that they held for local government in Saskatchewan.

It is difficult to say, Mr. Speaker, if the Hon. Member for Athabasca (Mr. Guy) and I am sorry that he is not in his chair this afternoon, but he was the last Liberal assigned to the Department and it is difficult to say whether he would have graduated out of that Department or not. While it is only conjecture on my part, I don't think he would have made it. Surely the standards of performance, even under that Liberal Government, must have been higher than that.

But, Mr. Speaker, what did the Liberal Government really do for urban centres, besides treat them with this contempt? Fortunately, they retained the Department of Highways Urban Assistance Program and the Municipal Water Assistance Program, which were incidentally originated by a former CCF Government.

However, beyond this and despite the pleas from urban centres, the Liberals virtually turned their backs on local governments in Saskatchewan.

Mr. Speaker, allow me to read a resolution adopted by the Saskatchewan Urban Municipal Association when the Liberals were in power, and I quote:

Whereas real property taxation as a major source of local municipal taxation is inadequate to support the responsibilities presently placed upon local government and the incidence of such taxation falls inequitably on local taxpayers; therefore, be it resolved that this association seek means to support the principle of strong autonomous local government, adequately financed to carry out a definite range of local functions by requesting the provincial government to provide increased financial aid by unconditional grants, and to seek ways in which the principle of taxation related to ability to pay may replace real property taxation as a major source of local municipal revenue.

That was a resolution passed by that Municipal Association during the reign of Liberals between 1964 — 1971.

Let me say, at this point, that this Government agrees in principle with that proposal. Property taxes which tend to be regressive in some instances, do not provide municipalities with an adequate source of revenue. We recognize that property taxes will probably continue to be the main source of revenue for municipal governments for some time. However, we feel that wherever possible additional revenue requirements should be raised from the resources that reflect ability to pay, that is, income and corporation taxes. This principle is always embodied in the Property Improvement Grant program.

Now what is important, Mr. Speaker, is how did the Liberals react to this urgent plea for help from the Saskatchewan Urban Municipal Association?

In 1970 they provided a dollar per capita grant for police services and a dollar per capita to cities to help defray the cost of snow removal services. Surely this magnanimous gesture should earn them the title of the last — and I underline the last — of the big time spenders.

Not only was the dollar per capita police grant insignificant, it was in fact an insult. For example, in 1970 the city of Regina spent over \$2.3 million on police services and received a grant from the province of only \$140,000 to help offset those costs. This grant was equal to only two-thirds of a mill. In that year the city had a mill rate of 107, which was one of the highest in the province and the government rushed to their aid by giving them a paltry dollar per capita for police services and a similar grant for snow removal.

In addition to being insignificant, the police grant devised by the Liberals was also insensitive to the needs of urban centres. The formula which must have taken all of five minutes to devise, allowed for a flat dollar per capita grant to all centres that incurred police expenditures, regardless of their situation.

No recognition was given to the fact that the per capita police costs are much higher in larger centres than they are in smaller communities. For example, the per capita police costs in a community of 1,000 in 1970 was approximately \$7,

whereas, in Regina, it was over \$17.

Furthermore, no recognition was given to the fact that some centres incur much higher police costs than comparable sized communities in other localities, because of their location or because of special circumstances.

Mr. Speaker, it is impossible to explain how the Liberals could respond to SUMA's sincere and urgent request for help in such a callous and irresponsible manner when they were government. It is even more difficult to explain their action in light of the situation that prevailed in this province in 1969 and 1971. As you will recall, the provincial economy was in serious trouble. Unemployment rates were high, construction activity was at a low ebb and people were leaving the province in droves, primarily because of Liberal Government. This was an opportune time for the Government to assist urban centres, while at the same time provide some needed employment for Saskatchewan's population. But what did the Liberals do? Mr. Speaker, they did nothing! They were too busy at that time worrying about what timber tract they should be giving away, or which river they should be polluting next. The Liberals did have a word of advice for the communities, however, they said and I quote, I heard it in this House on many occasions as a Member of the Opposition: "Hold the mill rate constant." That was their advice to the urban municipalities.

As a result of this ineptitude on the part of the Government, communities are now faced with a tremendous backlog of projects. Their problems are compounded by the fact that prices have risen drastically and there are few skilled laborers available to carry out the work. Therefore, the Hon. Members of the Opposition, on behalf of the urban centres of this province, I wish to thank you, to thank you for nothing. During your term of office, you virtually abandoned local communities.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — Undoubtedly, some Members of the Opposition would like to jump up and remind me about the sewer grant which was given to this centre and the highway grant given to another. Or possibly they wish to expound on the homeowner grants. But I suggest to you, gentlemen, that you pursued an ad hoc approach throughout your whole term of office. At no time did you ever sit down and evaluate the needs of all urban centres and then attempt to design a comprehensive urban package to assist them. No, gentlemen, no one will ever accuse you of that.

For reasons which are beyond, at least, my comprehension, you were prepared to hand out nickel and dime grants. The assistance you provided was barely enough to allow centres to keep their heads above water, but never enough to enable them to undertake any comprehensive programs.

As I have stated, Mr. Speaker, this Government recognizes that many communities are experiencing difficulties today and we are willing to introduce a number of new programs to assist them.

Mr. Speaker, I wish to describe briefly what this Government has done since taking office in 1971 to assist urban centres and their residents.

In 1972 we introduced a street improvement program and it was gratifying to know that it has been exceptionally well received. In the two years it has been in operation, 59 towns and 80 villages have taken advantage of it.

We have assisted these communities in providing one or more of the following facilities, in the way of establishing curbs and gutters, sidewalks, storm sewers, blacktopping and gravelling. This is a vast improvement over the program provided by the Members to your left, Mr. Speaker, when they were in power. Their street improvement program consisted only of a gravelling grant and absolutely nothing more.

In 1972, we introduced a Winter Works program. During the two years this program has been in operation, 709 projects have been undertaken by local governments and have received provincial assistance.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — In 1972 we introduced the Open Roads and Mainstreet program. The purpose of this program was to provide the smaller communities with an adequate access to the provincial highways and to assist them in surfacing their main streets. To date, 184 centres have utilized the program and 149 others have applied for assistance in the coming fiscal year.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — Mr. Speaker, our Property Improvement Grant program has been operating for a full two years and, in my opinion, has been not only a successful program, but as well, one which has been universally well received. We introduced the program, Mr. Speaker, in its existing form to carry out part of our election platform to reduce the burden of school taxes on property. We promised to reduce this burden to an average of not more than 25 mills.

In the first year of operation, we applied 13 mills to the assessments of small businesses and firms and paid up to one-half the property tax levies on residences with the maximum grants being \$78 with respect to residences, \$130 with respect to businesses and \$195 with respect to farm property. The maximum grant payable to any one person was \$195. The total number of grants paid for 1972 was 221,360 and the total amount of grants paid was over \$18.7 million.

Mr. Speaker, for our second year of operation, just completed, we increased the mill rate applied to the assessment from 13 mills to 18 mills and increased the level of grant to \$144 with respect to residences, \$180 with respect to businesses and \$270 with respect to farm property. The maximum grant to any one person was \$270. And as of March 1st, Mr. Speaker, 232,800 grants have been paid for a total expenditure of \$30.16 million, an increase of almost \$12 million over the 1972 program.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — In summary, Mr. Speaker, we have taken a number of meaningful steps to assist our municipalities. While the

March 15, 1974

programs I have listed are significant, particularly in relation to the Liberals' dismal track record, the programs we will introduce at this Session will have an even greater impact on urban development.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — We are now entering what I think will be a new era in provincial-municipal relations. As I said earlier, we sincerely wish to make communities a better place to live. To achieve this goal, we have developed an urban package of which, through a process of consultation, we will be able to work with the local governments, thereby assisting them in developing the type of community that they desire.

For the most part, the grants that will be provided are unconditional. Local governments across Canada, have, for several years, petitioned their respective provincial governments for unconditional grants. With conditional grants, communities have had to undertake specific projects in order to qualify for assistance. In some instances, the projects undertaken have had a low priority at the local level, but the communities felt they had to proceed with the project in order to cash in on the grants.

We recognize that conditional grants are in some instances necessary. However, we also recognize that a preponderance of conditional grants could subvert local autonomy. This Government believes in strong local government and local autonomy; therefore, as I have stated, most of the grants we will introduce this year are unconditional.

Mr. Speaker, I wish to outline our urban package. We are proposing to pay every city, town and village, an unconditional grant of \$10 per capita. As the name implies, the grant is completely unconditional. Communities can use the funds derived from this program as they see fit. For example, centres can use the funds for capital projects to defer operating expenditures, or hold the mill rate down. Over \$6 million has been allocated to this program.

We will also make available over the next five years an annual \$15 per capita grant to assist communities to construct facilities of a capital nature. During the five year period, a total of \$75 per capita will be made available. While the grant is calculated on an annual basis, there will be instances where a centre will be allowed to utilize the total per capita grant which is \$75 over a period shorter than five years.

Mr. Speaker, the purpose of this grant is two-fold. Obviously, the main purpose is to assist communities in the provision of facilities. In addition to this, however, we also want to encourage communities to undertake long-range planning.

In order to achieve this, we will ask many communities to prepare five-year capital budgets. I will have more to say on this matter when I introduce the legislation which is needed to set up the \$47 million capital fund.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — Mr. Speaker, in an attempt

to facilitate the planning process, we will, in conjunction with the centres involved, undertake a number of community developments. I should point out, Mr. Speaker, that the Leader of the Opposition has, on many occasions, unjustly criticized this Government for increasing its staff. Apparently, the Liberals were content to make decisions by either flipping a coin or throwing a dart. We will not operate in this manner. The task . . .

**Mr. Cowley:** — Most of the time they sat on the dart.

**Mr. Messer:** — The Member for Biggar says that most of the time they sat on the dart and I would think that perhaps he is right.

The task of running a government is becoming more and more complex and this often necessitates employing more people.

During their seven year “reign of terror” the Liberals systematically and methodically dismantled the very effective civil service that had been built up over the years. Not only did they dismantle the machinery, they also threw away some of the key pieces.

Mr. Speaker, it was because of the Liberals’ total disregard for the importance of planning and their cannibalistic approach toward staff, that we are forced to hire more people now. Plans, regardless of how good they are, are useless in the absence of people who can transform them into programs and hence, implement them. Surely this should be obvious to everyone.

The Minister of Finance has also indicated that the urban package will include new grants aimed at reducing the burden which the municipality must bear for policing, as well as equalizing the revenue generating abilities of every urban municipality.

The new system of police grants will replace the present per capita grant which is presently paid to urban municipalities to assist them in providing police services. As I pointed out, Mr. Speaker, the Liberal formula was not responsive to the needs of these communities.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — Accordingly, our Government is initiating a system of police grants that will try to ensure an equal cost level in each and every urban municipality in this province.

Our Government proposes to pay grants equal to two-thirds of the cost of providing police services over a specified minimum cost. For the fiscal year 1974-75, this minimum level has been set at six mills of the municipality’s equalized assessment.

Included in the police grant, Mr. Speaker, will be a grant whose object will be the equalization of the resources of urban municipalities. The grant will compensate those municipalities which have a lower than average revenue generating ability because of lower than average assessment.

Another item mentioned in the Budget Speech, Mr. Speaker, concerns transportation. And here we propose to spend up to \$100,000 a year for the next five years on studies designed to point the way to an even better transportation network than presently exists. With respect to urban transit systems, it is our intention, Mr. Speaker, to make up to \$1 million available in the 1974 fiscal period to cities which have such systems in operation to reduce their present operating deficits and to all the systems to increase service to the public.

Mr. Speaker, the Property Improvement Grant program is now entering its third year of operation. As indicated by the Minister of Finance, we are increasing the allotment of funds for this program to \$32.9 million. We are also, Mr. Speaker, increasing the maximum grant payable with respect to a principal residence to \$160, the maximum grant with respect to businesses to \$200, the maximum with respect to farm property to \$300, and the maximum grant that any person can receive will be \$300.

The latest increases, Mr. Speaker, represent a further two mill increase in the grant relative to business and farm property.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — In all, a total of 20 mills is now being paid to reduce the impact of local school taxes on property. The average school mill rate in 1972 was about 45 mills and with this increase in the grant mill rate to 20 mills, Mr. Speaker, we feel that this is another of our promises that this Government has fulfilled — the reduction of the school mill rate to an average of 25 mills.

Mr. Speaker, I should now like to move along in my remarks to indicate to the House the extent and direction of the programs under the jurisdiction of the Municipal Road Assistance Authority.

The Budget of the Authority, as it relates to rural municipalities, is being increased by 24 per cent in the next fiscal year. In addition to significantly increasing the Budget, the emphasis is being altered to reflect the changing needs of the rural municipalities.

The Main Market Grid Road Program is almost complete, and at the current rate of construction, the program will be completed in 1976-77. Only about 800 miles remain to be done and it is expected about 300 miles will be built in 1974.

With the completion of the Grid Road Program in sight, much of our attention will be directed towards the Main Farm Access Program. In the next fiscal year, an additional \$2.0 million is being allocated to this program, sufficient to increase the mileage being built from the 1973-74 level of 1,800 miles.

Grants for regravelling grid roads are being increased by \$100,000, sufficient for an additional 300 miles of regravelling in the province.

In addition to these items, Mr. Speaker, \$500,000 is being made available as a start on a program to surface grid roads. Approximately 100 miles will be resurfaced in 1974-75.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — The Equalization Grant funds are going to be increased by \$500,000 with the emphasis for the spending of these additional funds being directed toward helping the poorer municipalities.

In summary, Mr. Speaker, this Government has, in the short time it has been in office, made a sincere effort to assist municipalities, both rural and urban.

While the new package has received considerable coverage, it should be made abundantly clear that we have been and will continue to be concerned with the problems facing our rural municipalities. Last year, we modified the equalization formula to ensure that more assistance would be directed towards the poorer municipalities. An additional \$500,000 will be allocated to this program this year.

The regravelling program will be increased by 16 per cent while the Main Farm Access Program will be allocated another \$2 million — a 44 per cent increase over the 1973-74 Budget. In addition to this, we are also embarking on a main grid road surfacing program. Therefore, it should be apparent, Mr. Speaker, that the party which introduced such milestone programs as Main Grid Roads and Rural Electrification continues to serve the rural municipalities.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — The urban package, Mr. Speaker, represents an attempt to deal with urban problems in a more equitable manner than has ever been tried before. Communities will no longer have to rely so heavily on property taxes as a source of revenue. Never before in the history of this province have urban centres received as much assistance as we are now providing and proposing.

**Some Hon. Members:** — Hear, hear!

**Mr. Messer:** — In addition to introducing the concept of ability to pay, the programs are also attractive because they are basically unconditional. This unconditionality will help to strengthen local autonomy and preserve local governments in this province.

Mr. Speaker, when this Government came to power we came to power thro' promises made to the people who elected us on them as a mandate from them. We have lived up to that mandate. In order to do it we have challenged the unchallenged, we have plowed, I think the unplowed, and we have sought out and we have tested the untried. We have done that and I think we will continue to do that. That certainly is evident in the Budget that was brought forward to this Legislature by the Minister of Finance a few short days ago.

It is for those reasons, for the reasons of recognizing the needs of the people of this province and to try new programs and new policies and new objectives that I suggest to every Member of this Legislature that they support the Motion.

**Some Hon. Members:** — Hear, hear!

March 15, 1974

**Mr. D. G. Steuart** (Leader of the Opposition): — Mr. Speaker, I listened with a great deal of interest while the Minister of Agriculture defended the attitude of the NDP Government in regard to local government and criticized our policies during the time we were in office.

Let me point out just one or two things for the edification of the Minister who just sat down.

You talk about contempt for local government. Let's talk about a government that imposed the Ward System on the two major cities in this province without so much as a vote.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Let's talk about the government that plans to take over the police force of every municipality in this province without even consulting the people concerned.

When we came to power in 1964 the total huge sum of \$9 million was being spent by the CCF Government on the municipalities, both urban and rural. When we left office in 1971 we had increased that budget by 350 per cent to \$31 million, a record yet to be matched by this Government.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — He said they tried the untriable and plowed the unplowable, I think they have done a lot more than that in the Land Bank. They have grabbed the ungrabbable, by the time they are finished they will have every farmer in this province, if they last long enough, as state tenant farmers and we ask the people of this province, "Who has contempt for whom?" I think the answer will come back that it is the NDP Government that has contempt for the individual, they have contempt for the municipalities, they have contempt for the farmers, they have contempt and they show it in their very acts. That is their philosophy, those are their actions.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, this Budget has been called inflationary, a rip-off, wasteful and extravagant. The Minister himself referred to it as a "Go for Broke Budget." It is all these things and more. It is also a time bomb set to go off three or four years down the road.

The NDP boast they will spend \$900 million of the people's money in the coming 12 months. I am sure they will spend this sum and more. This works out to \$80 million a month or close to \$2 million every week.

The Government will take in through taxes and grants from the Federal Government at least \$1,100 million in the coming year. This means both the Government and the people are safe for the next two years as long as wheat sells for \$5 a bushel and oil for about \$10 a barrel. But everyone should keep in mind that the extra millions of dollars pouring into the provincial treasury this past year are as a result of record prices

and sales of grains and, to a lesser extent, oil.

Mr. Speaker, we know from long experience that wheat sales won't stay at \$5 or barley at \$2.50 for very long. And when the drop comes, government revenues will drop right along with grain prices, they always have and they always will. We also know that once government spending goes up it is almost impossible to have it go down.

New programs are begun, extra people are hired, office space is rented, the Government gets locked in and government expenditures continue to rise regardless of the state of the economy.

The NDP will spend \$900 million this year and over \$1,000 million next year. It sounds great. You can't spend hundreds of millions of dollars without making someone happy, even if it is only the 1,100 new employees they intend to hire.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, what will happen when Saskatchewan's economy slows down? Who will carry the load of this fantastic inflated Government spending program? One thing is for sure our basic industry, agriculture, will have to shoulder most of the burden.

In other words the Blakeney Government has mortgaged the future of Saskatchewan farmers through this extravagant Budget. I challenge the Premier to tell the people of Saskatchewan where he will get the money to pay the 1,100 new civil servants when our farmers face \$2 or \$3 wheat and \$1 a bushel for barley.

Let the Premier explain where he will get the money to pay his 18 Cabinet Ministers and hundreds of assistants and planners when our farmers again face four bushel quotas. Mr. Speaker, I will tell you where the NDP will get the money, the same place they are getting the \$900 million boasted about spending in the coming year, and that is from taxes from the sweat of our people.

We just have to examine Government revenues from two years ago to see what can happen in Saskatchewan.

The E & H tax will produce \$107 million this year, but in 1972 it was only good for \$68 million, \$39 million less.

Income tax \$140 million this year but only \$69 million two years ago, \$71 million less only 24 months ago.

Gas tax and corporation tax this year \$94 million, in 1972 only \$66 million, short by \$28 million.

What about the largest single source of income this NDP Government has, the federal equalization payments? They were \$154 million this year but only \$70 million in 1972, a difference of \$84 million.

Mr. Speaker, only five tax sources but a difference of \$222 million in two years. Only five tax sources but they produced over half the provincial total revenue.

These revenues have one thing in common. They are

March 15, 1974

sensitive to the state of our economy. When we have tough times and that always comes when our farm income drops, the income from these sources also drops drastically.

The problem with federal equalization payments is that we earn them during recessions but because of the time it takes to do the calculation they are paid when our economy has recovered.

There is little question that forward grain sales at good prices, continuing strong demand for our oil, lumber and potash will guarantee high government revenues for the balance of 1974 and likely for 1975. This means we can expect and probably pay for a \$1 billion budget in 1975. But make no mistake the NDP are gambling with our economic future in an effort to buy re-election.

When this boom ends in 1976 or 1977 our people could find themselves in a serious economic mess. I ask the people of the province to take a hard look at this Budget because the NDP are trying to bribe them with their own money.

I believe this Government should be doing three things with this once in a lifetime bonanza of money now pouring in on them. They should cut taxes, set aside more money for the future.

**Some Hon. Members:** — Hear, hear!

**Mr. Stuart:** — And they should encourage secondary industry to broaden our economy and help agriculture carry the cost of government. Mr. Speaker, this is what a sensible government would do. This is what the NDP refuses even to consider.

The NDP promised to remove the E & H tax on children's clothing, they refuse to do it, a promise made and a promise broken.

They said they would reduce the income tax for people on low incomes, another promise made and broken.

Mr. Blakeney promised to make his tax system fairer, he said he would base it on ability to pay, this promise was not just broken it was shattered.

The Liberal Government in Ottawa, the Conservatives in Alberta and Ontario all took millions of people on low incomes off the tax rolls, they exempted them from paying any income tax.

Mr. Speaker, not Mr. Blakeney and his so-called friends, the poor people's government, they don't believe anyone is too poor to escape their tax collector.

If you live in Saskatchewan and only earn \$10 in taxable income a year, 10 little dollars, Mr. Blakeney demands his pound of flesh. Talk about a tax on the sick and the old and poor, we really have it in Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Stuart:** — I invite people to examine the income tax guide for

this year, you will find no federal income tax until you earn \$640 in taxable income.

However, if you live in our province, under those hypocrites opposite, you must pay tax on every cent of taxable income starting at only \$10.

Mr. Speaker, what are they doing with all this money? Well, they use some of it to take off the hospital and medicare premiums for rich people.

**Mr. Kramer:** — Hear, hear!

**Mr. Steuart:** — Hear, hear! People like the Member for North Battleford (Mr. Kramer) earning over \$27,000 a year. They were excused from paying hospital and medicare premiums.

They used the income tax they took from the old age pensioners and they gave all the doctors and the lawyers and the engineers and bank managers, people earning from \$25,000 to \$50,000 a year, a free hospital and medical care card.

The NDP like to think of themselves as robbing the rich to pay the poor. This Government has reversed the process, they are snatching money from the poor and they are handing it over to the rich.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Our new Minister of Finance, and I am sorry he is not in his place along with about half the NDP Members, our new Minister of Finance is being called Robin the Hood, friend of the rich.

He likes rollicking verse and I have a little verse for him, I think it is fitting:

There was a Robin by the name of Wes,  
At figures a whiz, at Budgets a mess,  
He said, "I'll come to Regina and carve out a niche,  
By robbing the poor and paying the rich."

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, why didn't they cut the taxes? Why didn't they cut the gas tax for example? This would have helped almost everyone, farmers, working people, who must drive cars and trucks to make a living.

There is no shortage of money, they stole \$10 million from the gas tax to subsidize the auto insurance plant so they could pretend they had fulfilled another promise.

The NDP promised to operate our Crown corporations, for people not for profit. Remember that slogan? They have forgotten it. Last year they made a profit of \$16 million on telephones, they made a profit of \$17 million on power and electricity, over \$1 million on lumber. If they followed through on their promise there would be a reduction in the price of gas, of electricity and lumber. They are as bad as the big multinational corporations.

March 15, 1974

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Another promise made, another promise broken.

What else are they going to do with the money? Well, they are going to hire 1,100 new employees. This will cost the taxpayers \$15 million or \$20 million, by the time they buy the typewriters, the cars and office space is provided. The NDP have already hired about 2,000 since 1972. They have rented hundreds of thousands of feet of office space to house them. Now we can't find out exactly how many they have hired or where they are all working, because the Government refuses to answer all of our questions about total staff and about office space. However, I suggest to the people who live on farms or in towns and cities outside Regina, that about half the buildings over five stories high in the Capital City, are being paid for by the taxpayers and they are almost full of Government or Crown corporation employees.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The latest example of squandering public funds is the Toronto-Dominion Bank Building at 12th and Hamilton here in Regina. We believe that the NDP have rented about 10 stories, at a cost of between \$800,000 and \$1 million a year.

The office of the Ombudsman will cost over \$60,000 in the coming year. You take an honest appraisal of this report and it shows this to be largely a waste of money. This work could and should be done by elected Members of this Assembly, drawing down \$14,000 or \$15,000 a year.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Information and Photographic Services, art services, mostly for the Cabinet, another \$350,000. Most of this money is being spent on political propaganda, it should in honesty, be taken out of the Government Budget and paid for by the NDP.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, the Department of Industry and Commerce has been an abject failure under the NDP and to ask us to vote \$4 million for this Department is a disgrace, particularly when Industry and Commerce hands over \$200,000 to the NDP advertising agency, the Montreal firm of Dunsky, so that the Minister can tell the Saskatchewan people how wonderful he and his Department really are.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The Department of Northern Saskatchewan has been a

disaster. The Minister in his speech heaped abuse on the Liberals and other unspecified groups in an attempt to find a scapegoat for this failure. The truth is, the NDP have never understood northern people and in an effort to help them they flooded the North with money, bureaucrats and easy welfare. Of course, Liberals have been critical, but it is the northern people themselves who have openly and consistently rejected the NDP dictatorial approach.

Mr. Speaker, not satisfied with squandering \$15 million last year on the Department of Northern Saskatchewan, the Government plans to spend about twice that much this year, almost \$29 million. This Department will spend \$20 million on wages, \$3.5 million on welfare, but only half a million dollars on grants for economic development.

Mr. Speaker, their plan is wrong, their priorities are wrong and northern people, will again, reject the NDP.

No matter where you look in this Budget you find waste and extravagance. Department reports, the first time this year, are printed on fancy, expensive books costing, I am sure, thousands of extra dollars.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Members in the top civil service have spent hundreds of thousands to travel to every part of the globe on a scale never before approached by a government of Saskatchewan. As a matter of fact NDP Ministers are the new globe trotters of the jet set. They have been to France, West Germany, London, Switzerland, Sweden, Finland and even to China all at the taxpayers' expense.

Look around these buildings they have rented — new furniture, desks, rugs, drapes which pour into government offices replacing equipment that is better than you would find in 90 per cent of the offices in this province.

The Government entertainment budget has hit a new high. For example, the reception held after the cornerstone was laid for the Plains Hospital cost over \$4,000. The Government hasn't produced enough money to open the new hospital but they spent \$4,000 on a party to celebrate the event.

Mr. Speaker, at least \$100 million could be cut from this wasteful Budget without harming or curtailing one necessary program.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The failure of this Budget is its lack of encouragement for development of industry and business. These businesses and industries are not so important in themselves, but because of the jobs they produce for Saskatchewan people.

Over the last few months Members of the Government have been suggesting that we have no unemployment in Saskatchewan and, therefore, there is no great need for new job-producing industries. Now, in the first place, Mr. Speaker, the unemployment rate in Saskatchewan is not as low as Members opposite would

have us believe. It has climbed back up to nearly 5 per cent. Secondly, those who can't find jobs in Saskatchewan leave and they are leaving at an unacceptable rate considering the so-called prosperity in our province.

In his address on Monday, the Member for Wilkie mentioned an ad which appeared in the Saskatoon Star-Phoenix, paid for by the members of the College of Commerce Students' Society. They claim that Saskatchewan's second largest export was students — the largest being wheat. And the facts bear them out.

According to a study conducted by Canada Manpower on the class of '73 in the College of Commerce, in Saskatoon, 75 per cent of the graduates left Saskatchewan to seek employment. The study is incomplete because the Manpower Centre could only trace a little over half of the students. I think it would be fair to assume that most of the students who were untraceable have also left the province. The story is the same among students taking business administration on the Saskatoon campus. Only three of last year's eleven graduates, found jobs in this province. Graduates of the College of Pharmacy are doing the same thing. Well over 40 per cent of last year's graduates had to accept employment outside this province.

They won't find these figures in the Minister of Labour's unemployment statistics, because they are no longer members of the unemployed in Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Rather, Mr. Speaker, they have become productive and valuable citizens of other provinces.

Let's take a look at the North when we talk about unacceptable programs. Northern Saskatchewan should be one of the brightest spots of economic development in this province. It contains many of the products which the world is currently suffering a shortage of, instead the North has become a scene of a bitter struggle between those who live there and overbearing Government bureaucrats. There is practically no economic development at all. This Government cancelled the Choiceland Iron Mine, it cancelled the Athabasca Pulp Mill, it has discouraged other development, replaced them with Government buildings, Government employees and with welfare.

However, Mr. Speaker, it is not necessary for us to travel as far as La Ronge or Uranium City to have a good example of the way the NDP discourage industry. We can look in the back yard of the Member for Estevan (Mr. Thorson) the Minister of Industry and Commerce.

Members of the Estevan Oilfield Technical Society made it clear to this Government and to the public, what is happening to Saskatchewan owned businesses related to the oil industry. Two hundred people employed by these people dependant on the oil industry have been laid off since the NDP passed Bill 42. The 564 remaining employees are living on borrowed time.

When they came to the Legislature Building on Tuesday, to present their case, the Premier's reaction was one of surprise. He said he had no idea such things were happening. He apparently had no idea that the economic base of southeastern

Saskatchewan was quickly being destroyed. He had no idea that 104 Saskatchewan owned business operations have been brought to the breaking point because of his own Government's legislation. No wonder he was surprised for his Minister of Industry and Commerce, until recently the Minister of Mineral Resources, Mr. Thorson, who sits in this House as the Member for Estevan, didn't have any idea either. He wouldn't talk to those people. I am sure that is one of the reasons that he is no longer the Minister of Mineral Resources and it should surely be good enough reason to relieve him of responsibility as the Minister of Industry and Commerce, or any position, on the front benches of that Government.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, it has become increasingly evident that the only hope for industrial development in Saskatchewan, rests with the Federal Government. When the NDP speak of creating new jobs so that our people can stay at home instead of having to leave in order to find work, what they really mean is that they are going to run to Ottawa, with hat in hand, hope that a solution will be forthcoming. But I say, that is not good enough.

Premier Blakeney and his Cabinet have a responsibility to create an environment in Saskatchewan that will give people enough confidence to invest their money, their time and hard labor, in the future of Saskatchewan and its people.

The NDP will not inspire this confidence by ripping up the contracts of timber operations in northern Saskatchewan as they did two years ago. They won't inspire this confidence by confiscating the oil rights from people who thought they had entered into a solemn agreement with previous governments, both Liberal and CCF. Nor will they inspire the confidence of Saskatchewan investors by their continual haranguing about the evils of private enterprise and the necessity to nationalize virtually any business that becomes profitable. In fact, Mr. Speaker, I am quickly coming to the conclusion that confidence will never be restored until the NDP are turned out of office in this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, I should like to discuss another matter which was referred to me by my colleague, the Hon. Member for Wilkie (Mr. McIsaac) on Monday.

It has to do with federal-provincial relations. It was with some degree of puzzlement and a great deal of wonder that we listened to statements emanating from Premier Blakeney at the western Premiers' Conference in Saskatoon two weeks ago.

"Western Provinces will go it alone," was the word we received from Mr. Blakeney. Apparently he took just enough time out from telling everyone how terrible the Federal Government's Throne Speech was to give us that important message. I often wonder how the western Premiers managed to discuss anything at all as they were so busy rushing from the Conference room to tell the people how truly awful the national government is.

March 15, 1974

At any rate we were told that since the Government in Ottawa has no concern for us and apparently failed to create a new economic and industrial strategy for western Canada, Saskatchewan would venture forth on her own to seek her own place in the sun.

The rhetoric contained in Mr. Robbins' Budget followed the same line. We are told that Ottawa's decision to index the personal income tax was contrary to the spirit of the federal-provincial co-operation. It was arbitrary, according to him and unilateral. Strong words! The fact is, Mr. Speaker, if there ever was an administration in Canada that operated contrary to the spirit of federal-provincial co-operation, it is the NDP Government sitting opposite.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — While the Premier and his Minister of Finance raised their shrill voices against Ottawa, they tabled a Budget of which 40 per cent of the money is provided directly by the Federal Government. There is no mention of the tremendous sums of money we are receiving from Ottawa, through subsidies, equalization payments, education grants and cost-sharing arrangements. In fact, we receive \$182,200,000 for equalization payments alone in 1974. Compare that to the \$10.4 million Saskatchewan received in 1970.

Mr. Speaker, we are entitled to the payments we receive because we are part of a Confederation that has some areas in this country that are richer than others. Because we have a central government with broader taxing powers than the provincial governments. It strikes me as odd, Mr. Speaker, that while Premier Blakeney was donning his frontier cap and declaring, "We will go it alone," in economic development, his Minister of Finance was preparing a Budget Speech that was saying just the opposite.

Members were informed last Friday that the province is preparing to sign agreements with the Federal Government to launch developments in the following: iron and steel, forestry, the Qu'Appelle Valley, mineral exploration, agriculture, tourism, urban and rural development. I can say this, that if the pioneering Premier is going to go it alone, he had better hurry up before those agreements are finalized or he had better think up some new areas which may be available for him to go it alone.

The fact of the matter is this, the NDP Government of Saskatchewan will never get enough from Ottawa. It suits their political purpose to criss-cross this province, telling our citizens that we are being ignored, that we get nothing from central Canada. They have yet to acknowledge, inside this Assembly or outside, that while all of our requests are not being met, while of course, we have many grievances remaining outstanding, we are, in fact, making progress and we have never had so much attention paid to us by any federal government.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The NDP Government would have us believe that the Government of Canada, the central provinces of Canada, all the business interests of eastern Canada are our sworn enemies. The NDP would

have us believe that their aims are to drive Saskatchewan to its destruction and then come in and pick up the spoils. There are few people in Canada, Mr. Speaker, who have done more to distort the true picture of federal-provincial relations than the Premier of Saskatchewan, and I for one, am tired of it. I am tired of his Throne Speech priorities which are to nag and to whine at the national Government. I am tired of Budget Speeches such as this one that takes slapshots at Ottawa while refusing to recognize the contributions that are being made to Saskatchewan, for the Saskatchewan economy, by them.

This is a dangerous political game. If the Premier is successful, his Party might pick up a few more federal seats in Ottawa, which is obviously what he wants, they may even make him national leader of the NDP, but he will do this at great cost to Canada and to Saskatchewan.

Let's take a look at the Premier's performance during the energy crisis.

First, he and the NDP were asleep for about seven months while our oil was being sold to the United States at below market prices. Then when the Federal Government moved in with its export tax, he woke up and has been whining ever since that this is our oil and our money.

Before the National Energy Conference he strutted around eastern Canada, threatening to double the price of our oil which would give us an extra \$5 per barrel. Then at the Conference, the Prime Minister took him to lunch and he folded up like a deck of cards. He went in demanding \$5 a barrel and he came out with \$1, if he could get it. In fact, he doomed the Conference to failure by threatening to break the price freeze on February 1st and he has been crying ever since that the Federal Government wouldn't talk about a national policy, in fact, they never had time.

I don't agree with the oil policy of the Federal Government. It is, in fact, our Saskatchewan resource and we are entitled to all the tax revenues that it produces. If eastern Canada is given a price lower than world markets, then all of Canada must share the costs. If that is to happen, we must also be given some added consideration. The proposal by the Federal Energy Minister MacDonald, at the Conference, was a stupid one. It was only surpassed, in stupidity, by the proposal put forward by Premier Blakeney.

MacDonald said, let's raise the price of oil by \$2 and we will split in two ways. Premier Blakeney, said no, we will raise the price by \$5 and we will keep it all. They both knew their plans were unacceptable and could only lead to misunderstanding and to bitterness. I call on Mr. Blakeney and the NDP to do the following, if he is sincere about developing a sound oil policy for Saskatchewan.

First, repeal Bill 42.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Second, negotiate honestly with the oil industry, to try to keep them in Saskatchewan.

March 15, 1974

Three, give the Federal Government a list of our demands in exchange for a reasonable price for our oil for eastern Canada.

Four, give them a deadline to accept these demands that is realistic, not a week from now as they did before, and certainly not 12 months from now, but somewhere in between.

Five, let all Canadians know that we are united in Saskatchewan in our belief that this and all other resources belong to us as well as the revenue derived from them.

Six, let him be prepared to stand up and fight for these rights all the way to the Supreme Court if he has to.

Seven, quit backbiting at the Federal Government over every little slight, real or imagined.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — In short, stop acting like the leader of a banana republic and start showing some genuine leadership for a change.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Only then, Mr. Speaker, will we support the NDP Government on this matter and I say that the majority of Saskatchewan people will do the same thing.

Mr. Speaker, their Budget is wasteful, extravagant and it is short-sighted. It fails to come to grips with the basic problems facing Saskatchewan.

I will not support the motion, I will vote for the amendment.

**Some Hon. Members:** — Hear, hear!

**Hon. A. Taylor** (Minister of Social Services): — Mr. Speaker, there were a couple of things that the Leader of the Opposition said which I can certainly concur in and the one which stands out the most is his comment that, over there they were getting tired. They sure sound like it!

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — It's understandable, Mr. Speaker, that they must have got rather tired with the amount of energy and time that they would have to put into finding anything in this Budget that they could honestly oppose.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — Knowing them, of course, Mr. Speaker, that will not stop them from opposing for opposing's sake.

Mr. Speaker, the Member who just took his seat, mentioned that the Budget was wasteful. I doubt if the people in my

constituency will say so. These things have been mentioned before, but I made some rough calculations myself as the Leader of the Opposition spoke. I looked at the grant, such as the unconditional grants and realized that the town of Kindersley will receive about \$36,000 a year. The small town of Eatonia, about \$6,000 a year, the community capital fund at \$74 for each town will be a boon to most of the towns and villages that I have the privilege of serving.

Nor, do I think, Mr. Speaker, that the people of Saskatchewan will think it wasteful to be spending a substantial sum of money on a dental care program. For too long they have found that in many cases they just could not afford the care for their children's teeth that was needed.

Certainly, the people whom I have talked to who have taken advantage of the hearing aid program don't consider that wasteful. Indeed they feel it to be one of the most important programs to come along in some time.

The farmers in my constituency seem to be rather encouraged by the establishment, the proposed establishment, of an agricultural machinery institute, they remember the benefits they received when the CCF was in power before in Saskatchewan and they look to the same type of benefits again as this new institute gets rolling.

We look at the funds being spent on education. School boards I know will certainly not think that this is wasteful in any way.

Look at the proposal by the Minister for universal driver education. I only wish, Mr. Speaker, it had been in a few months ago, having just paid my \$20, but certainly it will be a boon to all the students in our province and hopefully down the road will provide much safer driving and lower the accident rate.

Mr. Speaker, the Legal Aid Plan that has been announced in the Budget Speech is one which is of particular concern to me. Many of the people with whom I come in contact are people who are in need of legal assistance, but cannot obtain it simply because of finances. The Legal Aid Plan will go a long way towards ensuring equality of justice for all men before the law. This, Mr. Speaker, is something which we, in the New Democratic Party, heartily believe.

In my own Department, I think of the \$1.5 million that has been set aside by the Government for the employment support program. Does the Leader of the Opposition suggest that this is wasteful? A program which will encourage those on public assistance to go to work, help them to find jobs, and assist them in finding permanent jobs at the end of the program.

Mr. Speaker, our experience last year with this particular program was nothing short of fantastic. For too long now, I have heard people saying that those on welfare will not go to work. Our experience last year with the program that we had, indicated only that there were not enough jobs for those who wanted to go to work. The clients were there, they knocked on the doors and they accepted the jobs.

But, Mr. Speaker, there were not enough jobs, because we didn't have the funds at that time and we have tripled the amount

March 15, 1974

of money available. And I might say, Mr. Speaker, that the Federal Liberal Government continues to share half of all our welfare costs but not one cent of the costs we spend in job creation for these same clients. That, Mr. Speaker, does not seem to me to be the encouragement of employment. But, I am pleased that these funds are available.

Mr. Speaker, I realize that my time is somewhat limited and so it is with a good deal of pride and I must admit, excitement that I turn now to the Government's new Family Income Plan.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — In introducing the program, as part of this landmark Budget, my colleague the Minister of Finance (Mr. Robbins) described it as a major benefit to low income, working families. It will be all that and more.

If this program is taken together with a number of other initiatives of this Government and of my Department as part of an overall commitment and approach to social security in Saskatchewan, then it is obvious that this is not just an isolated attempt to cover a serious gap in our social security program.

The new Family Income Plan, Mr. Speaker, does indeed cover that large gap in income security which exists for lower income, working families. But it is also intricately woven into the fabric of social and economic development which runs throughout the entire Budget.

In this period of earnest and difficult search by many governments at all levels to come to grips with the reform of social security in Canada, Saskatchewan is once again showing the imagination, the commitment and the national leadership in social policy, which has been a hallmark of its CCF and NDP governments for many years.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — Because this new program is part of a greater design towards social and economic security in Saskatchewan.

Mr. Speaker, before I present further details of its operation, I think it appropriate to expand on the concerns and the objectives which have led us to its development. Social security is more, Mr. Speaker, than income security. Although it is difficult to see how anyone can have the one without the other. Social security policy has to concern itself beyond the basic requirements of ensuring adequate minimum income levels, with the dignity and the worth of individuals and families. And, particularly with their self-worth and ability to cope with an increasingly complex and demanding society.

This immediately implies an emphasis on prevention of problems, or on not having problem situations deteriorate so that individuals and families have to hit rock bottom before any assistance is provided. It means also, that we need to build in resources and incentives for people to solve their own problems or at least to cope with them, if we are to avoid trapping

them into last resort situations which take away their opportunity for self fulfilment and independence.

For this reason, Mr. Speaker, we have made employment the first part of our social security strategy. Although we have also had to recognize that the economic and the manpower policies of the present Federal Government will inevitably continue to condemn large numbers of our citizens to unemployment despite our best efforts.

But even if every able-bodied person in Saskatchewan were employed we would still have large numbers of families living in poverty. The reason for this is obvious, and yet we do frequently lose sight of it. The reason is simply that in the labor market, people get paid for the work they do. Their income depends on their capabilities, opportunities, education, bargaining strength and on a variety of competitive and institutional factors. But it does not depend on the size of their families and on their family income needs.

At present levels of minimum wages, this presents no serious problems for a single employed person or possibly even an employed person with a spouse to support; but for larger families the factors which determine income and those which determine need no longer fit together. And some very inequitable situations result.

Because our welfare programs have taken account of family income needs it has been possible for public assistance allowances to exceed labor market wages by a considerable amount for low income wage earners.

For example, at present public assistance levels in Saskatchewan a family with three children would receive more on social assistance than they would if they were working for an income or salary of \$5,500 per year. For a family with five children the figure is \$6,500 per year.

Now, there are many ways of dealing with this. Some provinces have attempted to deal with this problem by keeping welfare benefits low, and by imposing arbitrary maximums regardless of family size. Some have even tried to keep public assistance below minimum wage levels, regardless of family size or income needs.

Fortunately, this hard approach which is the very opposite of social security has been rejected over the years in Saskatchewan. While our social assistance levels are lower than some might like them to be, we need not be ashamed in comparing them to those of other provinces. Indeed, we are proud that over the past year we have been able to increase allowances by more than 25 per cent and have brought about a number of other major improvements in the operation of the Saskatchewan Assistance Plan.

Mr. Speaker, the Opposition now tries to make us believe that they are the champions of those on public assistance. They have complained because it was announced that the new Family Income Plan will not mean a net increase in benefits to those on public assistance.

Mr. Speaker, the income of those on public assistance has increased in the last few months by an average of more than 25 per cent. Some of which was, in fact, in part a result of

March 15, 1974

increased family allowances and, in part, an increase in rates under the Saskatchewan Assistance Plan. We will continue to increase these benefits in the future.

But, Mr. Speaker, the Members of the Opposition have stretched their credibility far beyond any breaking point. In July of last year, the Leader of the Opposition demanded a 20 per cent increase in welfare allowances. In November, four months later we hear him screaming that 17 per cent is too much. Now he wants the people to believe that he thinks 25 per cent is not enough. At the same time, the Member for Lumsden (Mr. Lane), of course, said that it was too much. This can only be taken as a deliberate attempt to play politics with the lives of those who are less fortunate. We will not participate in this cruel game. We will continue to accept the responsibility of establishing income levels as the needs of people change.

I might say, Mr. Speaker, it makes no sense to count pensions and workmen's compensation as income, as did the Liberals, when they were in power, and rightly so, and not count other income such as family allowances.

**Mr. MacDonald (Milestone):** — Did we count that?

**Mr. Taylor:** — I said, and not count income such as family allowance. It's true that some provinces have not included family allowance as income, and it's true that the previous Liberal administration didn't. What they do is to keep their rates purposely low and let family allowance be the thing that must be adjusted to improve the benefits.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — In Liberal Quebec, for example, they provide a maximum allowance regardless of family size of \$313 a month. A maximum, it doesn't matter how many in the family. Prince Edward Island has an allowance of \$404 a family, for a family of seven and they count 90 per cent of the family allowance as income. I don't know why the percentage, but that's their business and their choice.

We would really like to know where the Saskatchewan Liberal Party really stands on public assistance. Do they believe in it or do they not?

You know, Mr. Speaker, I found in the newspaper the other night, the little cartoon, Andy Capp. He was being his normal male chauvinist self, talking about his mother-in-law, but I thought when I read it that he was talking about the Saskatchewan Liberal Party. He says, "Woman doesn't think, she just rearranges her flippin prejudices."

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — It seems to me, Mr. Speaker, that this is precisely what we hear across the floor; people rearranging their prejudices for the point of a political argument.

I am pleased to report to this Assembly that despite major increases in benefits, and they were major costs of the

Saskatchewan Assistance Plan have been kept well in line. As a result of the economic conditions in this province, the employment programs of the Government, and careful administration, the number of employable recipients has decreased from 3,610 to 2,276 during the past year.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — At the same time there has been a total caseload reduction, January to January of 2,335 cases in the Saskatchewan Assistance Plan. Or if the Opposition prefers it in terms of the number of people, there are today 6,682 fewer people on assistance than there was a year ago at the same time.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — Mr. Speaker, I remind the Members that only about 10 per cent of those on public assistance are capable of working. For these we shall continue to bend our efforts in the areas of employment. The Member for Moosomin (Mr. Gardner) mentioned that the Department's budget had increased by 29 per cent. He insinuated, although not saying so, that this was a welfare increase of 29 per cent. I ask him to read, again, and to compare it with the Saskatchewan Assistance Plan and see the actual increase. There's been an increase in our budget, a vast increase in our budget. Three million dollars more for senior citizens; \$10 million for the Family Income Plan and increases in other areas such as the employment support program. But I ask him to read again that section concerning the Saskatchewan Assistance Plan.

It has been standard practice in this and other provinces, Mr. Speaker, to exclude working families from income supplementation under Income Security programs, except perhaps under conditions of extreme hardship. One of the reasons for this exclusion has been that once on assistance, every dollar of income earned was subtracted from the amount of assistance, providing absolutely no financial incentive to work, and indeed providing significant incentives not to work and to remain on assistance through such fringe benefits as free medical coverage, protection from debt collection and so on.

The result of this system has been a real discrimination against working families on low incomes, resulting in a good deal of hardship and poverty among the very group we most want to encourage; excessive dependence on social assistance for those who have obtained it; and a good deal of backlash from the general community. These problems are not new. They have been identified by our own Intersessional Committee on Welfare and they are at the heart of the present federal-provincial social security review in Canada. Our new family income plan will go a long way towards resolving these problems. This major initiative, the first of its kind in Canada, charts a new direction.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — We have already made a series of important changes to Saskatchewan Assistance Plan regulations. We will make further changes in the coming months. Having provided reasonable social security through an improved Social Assistance program to those

unable to work, our Government is now going forward in a wholly new endeavor, a multimillion dollar family income plan to supplement the income of those families who are hardest hit by the increased cost of living and who have been excluded from our traditional forms of assistance in the past. We will be bringing the new plan into effect in conjunction with a series of changes to the Saskatchewan Assistance Plan regulations. We fully expect the Government of Canada will co-operate with us in the implementation and funding of this plan. We are presently holding conversations with the federal officials, and I might say that I have talked personally with the Hon. Marc Lalonde, and while there is no commitment at this point, he is sympathetic to the program that is being proposed.

It is not by accident, Mr. Speaker, that the new program will focus on the income needs of families with children. In addition to the economic factors to which I have already referred, it is evident that the Government has been attaching a high priority to the development of preventive and support services to the family, which still remains the fundamental social unit of our society, and must be protected and strengthened.

The Family Services Act, which was adopted by this Assembly at its last session, provides one of the indications of this commitment to help with the role and functioning of Saskatchewan families. Poverty may not always cause family breakdown, but it is unquestionably a major threat to the viability of large numbers of families and a major obstacle to the full development of their members, particularly the children. The new plan will not only substantially alleviate poverty among working families, but it may also, in certain cases, remove the financial necessity of both parents working, thereby increasing the direct contribution of one parent to the home, the family and the children.

If this program does, indeed, for example, encourage some mothers to stay at home rather than having to go to work, I for one would insist that this is a positive rather than a negative aspect of the program.

Rapidly rising costs of living and of raising children make it urgent that definitive action, and not half-hearted measures be taken now to assist low income working families from whom inflation has been exacting such a heavy toll.

Having gone over the broad outlines of the reasons for the program, Mr. Speaker, I should like to outline some of the general details of its operation. To deliver this, and our existing programs in the most efficient and fiscally sound manner, it will be necessary to reorganize the Department of Social Services, if the greatest benefit is to be achieved for the people of this province. I might say that reorganization should not be taken to mean a new bureaucracy or substantial staff increases. In our reorganization, we will be implementing a strong financial administration quite separate and distinct from our traditional social services delivery, to ensure that available benefits are provided without discrimination to all eligible persons, and to ensure a careful financial audit of all disbursements. At the same time, our social services will be freed to develop more fully in the areas of individual counselling, family support and community services which have been emerging as appropriate priorities quite distinct from money payments to low income persons. Steps will be taken in the next few months to bring about these related changes, in concert with the implementation

of the Family Income Plan.

As announced by the Minister of Finance (Mr. Robbins), the Family Income Program will provide substantial monthly payments to Saskatchewan families, depending on the number of children. The benefits will start at \$40 per month or \$480 per year for each of the first three children and \$30 per month for the fourth and subsequent children. With proposed changes to the Saskatchewan Assistance Plan, and taken together with family allowance payments, the additional income provided to working families in the lower income bracket compares with the allowances for children's food, clothing and personal needs under the Saskatchewan Assistance Plan.

As already indicated, size of the payments will depend on family income, with the largest benefits going to those at the low end of the income scale. Families with incomes of up to \$4,500 per year, plus family allowances, will receive the maximum benefit. For family incomes above \$4,500 per year, plus family allowances, the benefit will be reduced by \$1 for each additional \$2 earned. Benefits will be reduced to zero, at \$8,100 per year for a family with three children and \$10,980 per year for a family with six children.

Proof of income will be required at the time of application and a yearly audit and reconciliation similar to present income tax methods will be instituted. Throughout the year audits will be conducted using the random sample method. Prosecution will be initiated against any who attempt to abuse the program.

The result of this will be to ensure that those who are working will receive a higher income than the same people would receive on Public Assistance.

Mr. Speaker, this program will fill a large gap in our present social security system, by providing badly needed assistance to those families we most want to encourage, low income working families. It will give them a chance to break out of the recurring threat of poverty and its destructive cycles from one generation to the next. It will go a long way to overcoming the problems of raising a family for those not fortunate enough to have a high-paying job. At the same time, it will remove the disincentives to work built into our present social security approach, and ensure that persons in similar circumstances will always be substantially better off working than not working. It should also go a long way towards reducing the unfairness and often bitterness experienced by those who proudly continue to work on low incomes and who would, quite frankly, be better off on public assistance.

The new Family Income Plan is designed to reduce poverty through redistributing income to lower income working persons. It is part of an overall approach to prevent serious social problems, rather than just picking up the casualties through a largely terminal welfare program. In the spirit of collective social responsibility, it is a program based on sharing and co-operation; sharing some of the wealth of this province and country with those who are working just as hard as the rest of us but living in poverty; sharing the burden of raising the next generation with those less fortunate than ourselves who nevertheless have the same responsibilities.

Mr. Speaker, there is another point I should like to cover.

There are those who will describe this program, and indeed any assistance to low income persons and families, as inflationary. Mr. Speaker, I do not believe inflation is created by expenditures on basic family maintenance by low income persons, who are the hardest hit victims of inflation. Inflation on a national scale isn't even really created in Saskatchewan, and yet there is little evidence that the Federal Government is coming to grips with this serious national problem. The only evidence of federal action is in the continuing high levels of unemployment across Canada. But the cruel burden of that unemployment is not spread evenly across the income groups. It seeks out its victims among the marginally employed, low income wage earners. This Government will not permit that they be hit twice, by job insecurity on the one hand and by rising prices on the other. If these allowances towards the essential needs of low and middle income families are inflationary, Mr. Speaker, then what about the countless multimillion dollar subsidies and tax concessions afforded our wealthy and powerful corporate citizens? Or what about the rapidly rising professional and executive salaries that have steamed ahead in recent years?

We believe that families must have first priority in this struggle against inflation and its effects. We have already taken some major steps to this end in the removal of medical and hospital premiums, increasing the minimum wage and increases in public assistance levels. We are committed to continue to adjust our programs so that, at the very least, the position of low income persons does not deteriorate relative to rapidly rising corporate profits and executive and professional incomes. To fight inflation at the lower end of the income scale, as some people would have us do, without any controls whatsoever at the upper end, is to redistribute income from the poor to the rich and that, Mr. Speaker, may well be the concept of the Liberal Opposition, or even the Federal Liberal Government, but it is not the concept of income security which this Government intends to implement.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — About a year ago in this Legislature, I said that it was time for some government to speak out on behalf of low income people. Our Government has attempted to do just this, and not only for those on public assistance. We have done so in strong terms throughout the review of social security in Canada launched by the Federal Government a year ago. We have attempted to provide leadership in that review. We have witnessed in some cases a denial by the Federal Government of the major problems of continuing unemployment and of serious gaps between countless unco-ordinated social security programs, which leave a significant number of our citizens without any real social security through no fault of their own. We have seen, in other cases, an acceptance of the logic of our concerns. In other cases an acceptance of the logic but a reluctance to act except in stopgap ways which don't address themselves to the real problems.

The new direction we have charted for Saskatchewan is perhaps not radically different from some of the reforms being debated at great length by federal and provincial Ministers and officials. The difference is that this Government cannot be content with protracted political debate and bureaucratic exercises while it is within our power to alleviate now the very problems we are debating. The difference is that this Government

is prepared to act and to act now instead of talking.

There are, of course, Mr. Speaker, other ways in which our Government could have acted. The Opposition has been saying that we ought to have reduced income tax, and this we could have done. But the benefits of such a move would not have gone to the people most in need of assistance. Let me give you a couple of examples, of a husband, wife and four children. If we had reduced the tax rate from 40 per cent of the federal tax to 35 per cent, a family of this size earning \$7,000 a year would have saved about \$48; while a family earning \$20,000 a year would have saved \$190. Surely, Mr. Speaker, this would have provided the assistance where it was least needed. If the exemptions were raised it would drop the tax bracket for the higher income person and his tax would go down even further. On the other hand, Mr. Speaker, we could have used the tax credit method and there are many advantages to that. It's administratively simple and efficient. It would also have provided a higher percentage return for lower income people. With the funds available, however, the tax credit would have been limited to one, two or even three hundred dollars per year per family. It would have gone to people in every income bracket. I might also say that it is the person in the higher income bracket who would have been more likely to spend such a credit on luxury items leading to further inflation.

The Family Income Plan will provide no assistance to the family whose income is \$20,000 per year; but the family earning an income of \$7,000 a year with four children will receive, not the \$48 benefit from a tax reduction, not the \$200 benefit from a tax credit, but \$550 a year under the Family Income Plan.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — This surely, Mr. Speaker, is an equitable means of distributing assistance. Certainly, I should have liked a tax reduction myself — who wouldn't? Quite frankly, if the Members of this House are honest, most of us can get along quite well without it.

Our aim is to place more disposable income in the hands of those hardest hit by inflation where it will be spent, not for the luxuries, but for the necessities of life. The Family Income Plan will be the first serious attempt at redistribution of income in Canada. Mr. Speaker, in many ways, in this program, we shall be travelling over uncharted waters; but this New Democratic Government and the CCF governments before us have never hesitated to be the explorers who provide the charting.

Mr. Speaker, I am proud to be part of a government which has the courage to move in this new direction and the willingness to break new paths.

The Family Income program will assist us in reaching three goals:

1. Assist low income people by providing a form of income security for those who are working.
2. It will assist in protecting family life by removing at least one source of tension.
3. It will provide built-in work incentives.

As my colleague the Minister of Finance (Mr. Robbins) put it so well in announcing the Family Income Program last week, I think the people of Saskatchewan will agree, that the Government which first introduced Medicare has again established itself as the leader in Canadian social policy.

**Some Hon. Members:** — Hear, hear!

**Mr. Taylor:** — I suggest that as other provinces which followed our leadership finally in the field of health security, will also follow our leadership in this field of income security.

Now, Mr. Speaker, may I move on to speak a few words about senior citizens.

One of the criticisms of the Opposition was that they saw nothing in the Family Income program for senior citizens. Mr. Speaker, the crocodile tears sometimes shed by the Opposition would make the Sahara Desert look like a flood. Our concern for senior citizens is clearly demonstrated in the Budget that has been presented.

The Liberals are in an extremely weak position to make any criticism in this regard, when one looks at their record during seven catastrophic years for senior citizens. Look at the record. In their last Budget while in office, and may I remind you, Mr. Speaker, that this was a pre-election Budget, it was a promise that was never put into action by them. It was a pre-election Budget. But even under these circumstances they provided in the Saskatchewan Assistance Plan \$4 million for senior citizens. We are providing \$6.8 million. In grants to special care homes, even in that pre-election Budget, they provided \$56,000; we are providing \$5.4 million. For community services to the aged, they provided \$60,000; we are now providing \$850,000. Construction grants for special care homes — they provided \$525,000; we are providing \$996,000. In one department alone, my own, where the Liberals budgeted \$4.6 million we are budgeting \$14 million. On top of that, Mr. Speaker, our Government will provide \$3 million for the Senior Citizens Home Repair Program, \$605,000 for low rental accommodation for senior citizens; and we abolished hospital and medical care premiums, a saving to these senior citizens of \$3 million. At the same time, the Liberals charged these senior citizens \$2 million annually in deterrent fees. In fact, if you add the deterrent fees and the medical premiums together, Mr. Speaker, you will find that it cost senior citizens half a million dollars more than they ever received from the Liberal Government.

Mr. Speaker, when you total up the various programs, not counting normal low rental housing, Property Improvement Grants etc., you will find that this Government is providing some \$21-\$22 million for senior citizens.

I am pleased to announce at this time an increase in grants to our senior citizens in our nursing homes and special care homes. Last year, you will remember, we provided grants of \$1.80 per day for Level II and \$4.80 per day for Level III. This year the grant will be \$3 per day for Level II guests and \$7 per day for guests in Level III care. At the same time, we will provide funds to pay for 80 per cent of any recognized deficit incurred by a non-profit home this past year. This will allow them time to adjust and to get onto the new system so that they

can manage to make a break-even position in the coming year.

Mr. Speaker, I believe our Government has taken great strides in the field of income security and this Budget provides for even greater strides in the future. Needless to say I will vigorously oppose the amendment and happily support the main motion.

**Some Hon. Members:** — Hear, hear!

**Mr. C. P. MacDonald** (Milestone): — Mr. Speaker, just a couple of comments on the Minister who just took his place. First of all I want to tell him that anyone who would suggest that welfare recipients got a 25 per cent average increase in this province is telling a falsehood. Welfare recipients, if you take the \$20 from the family allowance some of them got 4, 5 or 6 per cent. Mr. Speaker, he says there is a reduction in the welfare budget, I say that is a falsehood. If you take that on January 1st and take the \$20, a family of five, you took \$100 off the welfare allowance; a family of 10 he took \$250 off the welfare allowance and that is the welfare reduction, not a reduction in the case load.

I also suggest that the majority of money on the family income program is coming directly as a saving from the family allowance that this Government is pinching and failing to give to welfare recipients.

I want also to say a word that everyone on the Opposition has stood up and talked about the urban package. We had the Minister of Mineral Resources who didn't even talk about oil; we had the Minister of Agriculture. They talk about the nickel and dime approach. I want to tell you that in the seven years of the Liberal Government we increased grants to municipalities from \$9 million to \$31 million. I want to tell you why we didn't get to the urban municipalities is because we had to lift the rural municipalities off their back and save their life because you tried to destroy them politically with the county system.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — On top of that you starved them. Mr. Speaker, look at the record of this Government with the Rural Municipal Association. Equalization payments, grid road maintenance, paving of main streets, snow removal — all of this, Mr. Speaker, in a very short time after you deliberately tried to strangle local government in rural Saskatchewan by the county system.

I want also to comment on the Premier's statement about the terrible Federal Government and its development strategy. Isn't it funny that we haven't heard one thing about the development strategy of the NDP since 1971? I think the Premier better look in his own back yard. We haven't got a new manufacturing industry; we haven't got a new oil rig; we haven't got any secondary industries. The development strategy of this Government has been a complete and absolute failure and I think the Premier had better look at home.

Mr. Speaker, the Budget is now history. In a few minutes the Minister is going to stand on his feet and ask us to vote for this Budget. I want very quickly to summarize the reasons why the Opposition cannot and will not support this Budget.

Mr. Speaker, can we support a Budget that deliberately increases the taxes of the provincial government on the old, the poor and the sick? Wes Robbins will be remembered as the one Minister who reversed the tax policy in Canada and then deliberately taxed the poor. Can you imagine, Mr. Speaker, a widow who earns \$2,300 per year, not even the minimum wage. She will gain the benefit of the medicare and hospital tax removal, for only \$2,300 per year. A person who has a taxable income of \$1,000 — that is a man, wife and a child or two children, he will not only lose that tax, but the Homeowner Grant benefits, Mr. Speaker, he will be paying 100 per cent of the federal tax.

Mr. Speaker, if that had happened in Ottawa the national press would have blasted that right across Canada and our Press gallery hasn't even picked it up.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, can we support a budget that collects more taxes in the Province of Saskatchewan than any provincial government in the history of Canada? Is it any wonder that in 1974-75 this Minister will collect \$365 million just in the direct tax field and consumption taxes. In 1971 it was \$216 million, an increase of \$149 million, but the biggest is in income taxes. That year we collected \$69 million, this year \$140 million. Is it any wonder there have been successive increases in taxes by this Government in the income tax field.

In the first year from 34 to 37 per cent. The Minister said, oh, that is a federal adjustment, but if he looks at the Estimates he collected \$23 million more in income tax in that year. The next year, from 37 to 40 per cent. We have gone up something in that neighborhood, and this with 30,000 less people in the Province of Saskatchewan. And this year, Mr. Speaker, he increases income taxes for the poor and the low-income people.

No, Mr. Speaker, we can't support that kind of a budget. Can we support a Budget whose chief claim is the increase in Government costs of 50 per cent in two and one half years?

I did a little research and I would recommend it to the Minister. I totalled up the total administration costs of this Government, in 1974-75, and totalled up the total administration costs two years ago. This is not in money paid out in welfare or hospitalization or to build roads, and it has gone from \$128 million to \$188 million — an increase of \$60 million in two and one half years in administration costs for the Government of this province, an increase of 50 per cent.

Can we support a Budget that is filled with waste and extravagances? Mr. Speaker, I want to say that every slush fund in this particular Government is filled to capacity.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — For example, the Minister of Agriculture (Mr. Messer) has a little item in the Budget — grants to agricultural interests, from \$500,000 to nearly \$2 million. He has \$100,000 to give out to experienced hog producers to talk to inexperienced hog producers. Mr. Speaker, that is a deliberate slush fund and nothing else! Every Minister in the Government of Saskatchewan

has the same kind of slush fund. Every grant to every agency, to every Minister, has been increased double or trebled. Surely to heavens the people of Saskatchewan have the right to know where that money is going to.

The Premier's office, from \$350,000 to \$750,000 in 1975. Yes, almost double. The Cabinet from \$13 million to \$18 million. Mr. Speaker, can you see the civil servants sitting down and saying, we have a sucker, let's sock it to him. I suggest it is not only the A Budget, it was the B Budget, C Budget, the D Budget and the Z Budget of every single civil servant in the Province of Saskatchewan.

Mr. Speaker, when the Minister first got elected he said, spending is a concern of the new Finance Minister and he made a great speech in the city of Saskatoon. That concern lasted as long as the drive from Saskatoon to Regina, until he sat in his first Cabinet meeting, and it disappeared immediately.

Mr. Speaker, can we support a Budget that increases expenditures in welfare, in two and one half years, three years, from \$42 million to \$105 million? That is not counting welfare expenditures in DNS, that is not counting the reduction in welfare costs because of the \$20 Family Allowance. Don't talk about Core — that's \$10 million or \$12 million. No government in North America has welfare costs which have gone from \$42 million to \$105 million in less than a three year period.

Mr. Speaker, can we support a Government that offers absolutely nothing for development and economic expansion in the Province of Saskatchewan? Business after business has left. The Minister took nine pages in his book to talk about economic development. Do you know what he talked about? We agree with co-ops. We are going to expand community development. We are going to build sewage and water. He talked about diversity in agriculture. Mr. Speaker, not one single thing about mineral development, about how minerals are being exported or sold or the revenues, nothing about oil expansion, nothing about oil exploration. Never before has a Budget been presented that this information hasn't been given to the public of Saskatchewan.

Why? Because there are no oil wells being developed. There are no prospectors out looking for minerals. There is absolutely no economic development in this Budget whatsoever.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — Let's take a look, for example, at the Department of Industry and Commerce and this is really what should amuse everybody, particularly every businessman. There are three sub-votes there. The sub-votes are there, trade development, industrial development and business assistance.

Those are the three most important branches in the Department of Industry. They are down \$27,000 from last year, but do you know what is up? Research for socialist planners is up \$800,000. For example, Information Services \$278,000; \$27,000 less for business, industrial development; \$800,000 for socialist planners; \$278,000 for propaganda — that is where the expansion in the Department of Industry budget is. It is certainly not in the interest of businessmen in this community. The first thing that every businessman in this country will tell

you is to keep the socialists out of my business once and for all.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, can we support a Budget that spends \$28 million on the Department of Northern Saskatchewan when the whole of the North is up in revolution against the waste and extravagance and inefficiency of that Department? Mr. Speaker, do you know what that Budget means?

It means that \$1,700 is being spent by this Government for every man, woman and child when you exclude the Treaty Indians in the North. Do you know what it also means? It means that there is one civil servant for every 50 people in the Department of Northern Saskatchewan when you exclude the Treaty Indians. That is the worst, Mr. Speaker, I suggest, that that wouldn't happen in any other country nor any other nation in the world.

The Minister said, give us suggestions. I will give you some suggestions:

1. Do what Jim Sinclair said. Put some money into economic development, not more on welfare. After \$28 million there is going to be an additional \$500,000 spent on welfare in the Department of Northern Saskatchewan.

**Mr. Bowerman:** — You've got it all wrong.

**Mr. MacDonald:** — Oh, do we ever have it wrong. Look in your own budget. I'll give you some more suggestions. Fire the Minister, that is the first thing you should do.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — Fire the Deputy Minister. Do what Jim Sinclair says, spend some money on economic development and do away with civil servants, take them out of there, bring the cars and bring everything else they have to do.

Can we support a Budget which the Minister in charge of SGIO takes \$10 million out of general revenues and destroys the principle of insurance in the Automobile Accident Fund? He knows there is an election coming in a year or so. Can we support a Budget, Mr. Speaker, where in the Qu'Appelle River System, where horses and cattle were dying and refused to spend one cent until the Federal Government makes a contribution? Just straight blackmail? Mr. Speaker, can we support a Budget that refuses to even show the people of Saskatchewan the revenues?

For example, they took some money from last year's surplus for this year's expenditures. They haven't included one single dollar of oil revenue and yet the Minister, in two minutes, will tell us exactly how much money was put into oil revenues. We tried to say there is \$900 million, but, Mr. Speaker, there will be closer, if we get a decent return from the oil revenues, to \$1 billion or \$2 billion this year and that will be another slush fund for the Minister of Finance and the Premier to expend in this province.

Can we support a Budget that takes \$2 million out of \$41 million profits for rehabilitation in alcohol, particularly when we had a Liquor Committee who travelled all over North America? Visited every single person, every rehabilitation institute, tried to find a kind of a program that would provide leadership in Saskatchewan, even Members on that side of the House will refuse that kind of a Budget.

**Some Hon. Members:** — Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, I find, unfortunately, my time is cut down but I should like to take a lot more time. I want to tell you one thing, Mr. Speaker, that I don't think that those Members across there will support a Budget that taxes the poor and reduces it on the rich. I don't think that they will support a Budget with the waste and extravagance, the give-away and slush funds that are in this Budget. I ask them and the Member for Arm River (Mr. Faris), after his speech the other day, to stand on his feet and vote against this Budget or else he was not being sincere in the speech.

Mr. Speaker, I will certainly not support the Budget.

**Some Hon. Members:** — Hear, hear!

**Hon. W. A. Robbins** (Minister of Finance): — Mr. Speaker, the speech of the Member who has just taken his seat reminds me of a Shakespearean quotation, "full of sound and fury, signifying nothing."

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — Mr. Speaker, the people of this province know that this is a good Budget and nothing the Members opposite have said, or will say, will change their minds.

Let me highlight for the House the major steps this Government has undertaken, as I announced one week ago today.

A unique urban assistance package of over \$100 million in the next five years in operational and capital grants — An increase of 2 mills in the Property Improvement Grant bringing it to an equivalent of a 20 mill tax reduction, a maximum of \$300 for a farmer, \$200 for a businessman, \$160 for a householder. —

A provincial Dental Care Plan for children.

A multimillion Family Income Plan designed to help those working on low and moderate incomes to meet the impact of inflation. My colleague, the Minister of Social Services (Mr. Taylor) just recently outlined the details of that plan to this House.

A \$179 million allocation for capital financing to develop and distribute power and natural gas; to intensify and diversify our farm operations, to build public housing and to develop Saskatchewan oil and gas reserves.

Naturally, Mr. Speaker, I did expect criticism from the

Opposition. I had even hoped some of it might be constructive. What a hope! All they do is repeat their old tired themes. The Government which governs least, governs best, is their theory.

I would be pleased, Mr. Speaker, to welcome the Opposition into the 20th century. I presume they may enter it about the time we enter the 21st century. Their uninformed criticisms would shame any Grade Three social studies class.

The major charge or allegation of these Opposition ostriches is that the Budget is inflationary. Mr. Speaker, they are clearly wrong in their allegations. The rate at which prices increase in Saskatchewan is largely determined by forces outside our provincial borders. They know that. Prime Minister Trudeau has even publicly confessed that even the National Government hasn't the ability to control inflation. Confession, they say, is good for the soul. When the current Leader of the Opposition (Mr. Steuart) was Provincial Treasurer in 1968, he stated in his Budget Address and I quote:

We are after all, only a small part of the nation and so find ourselves faced with the consequences of other people's inflationary actions.

Again, in his 1970 Budget Speech he said:

Our size prevented us from having a serious effect on the problem which is not just national but international.

Mr. Speaker, all budgetary results for 1973-74 and for 1974-75 indicate revenues in excess of expenditures. If the Opposition possessed any economic understanding, they would know that we are not placing any net new demands on our economy. Regardless of budgetary size, cash carry forwards of some \$48 million means that New Democratic Budgets have not been inflationary. Their criticism of the size of the Budget is not so much related to inflation as a reflection of their belief that Governments should not govern or really should not come to grips with the problems that confront society.

The Opposition says the Budget is too large. Where would they cut it? Would they cut out the community capital fund of \$46 million in the urban package to cities, towns and villages? Would they cut the unconditional grants to those municipalities? Would they cut out Denticare? Kindergartens? If so, let them tell the people of Saskatchewan what they would cut out.

Mr. Speaker, we are in prosperous times. If that noisy little nuisance from the northern woods would kindly keep quiet for a little while.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — We are in prosperous times. Any government has two options under those conditions. We could take a conservative do-nothing fiscal position, designed to attain an improbable goal of reducing inflation and thereby initiate economic decline. The Liberals in Ottawa did exactly that sort of thing in 1969-70 with their fiscal policy. Or we can take vigorous, imaginative budgetary policies as a rational plan of an overall

development policy. This Government has chosen the latter course.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — Mr. Speaker, the Opposition has the unmitigated gall to say there have been no tax reductions. They deliberately choose to ignore the abolition of medicare premiums — \$15 million worth; increased Property Improvement Grants — \$22 million worth; the urban package and higher school grants — another \$50 million. These measures either directly or indirectly reduce tax burdens. We have also taken a significant step with the Family Income Plan to provide substantial benefits to lower and moderate income families — those who suffer the most from inflation.

Yes, Mr. Speaker, in the Budget Speech I criticized the Federal Government for unilaterally indexing our personal income tax system. I said that was regressive. It is regressive. From remarks opposite, Mr. Speaker, one can only conclude that they have minimal comprehension of what indexing actually is. The Member for Wilkie (Mr. McIsaac) said, and I quote him:

Indexing is an approach that is particularly helpful to the low income earner.

Mr. Speaker, such a statement should earn him the ‘mathematical mugwump’ scholarship of the year.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — On page 40 of the Address, Table 3, column 3, he will find a \$4,000 a year wage earner has his provincial income tax reduced by \$8.64 by indexing. If he earned \$20,000 a year he gets a tax reduction of \$73.08 and at \$50,000 a year a tax cut of \$147.26. Benefits for the low income earner? As a mathematician he is all vet. Are Liberals interested in helping the low income earner? Their support for indexing supplies the answer. The Member for Wilkie would like us to believe that indexing has received widespread support from provinces across Canada. Nonsense! The Liberal Government of Quebec which is now in the fortunate position of not being in the federal-provincial agreement and not being confronted with indexing condemns it outright. Their reason is our reason. It does little or nothing for the low income earner. I should like, Mr. Speaker, to quote — if the Lilliputian leprechaun from the North would be quiet for a minute — I quote from the Liberal Premier of Quebec, the Hon. Robert Bourassa and I quote him directly?

The Federal Government’s income tax indexing plan is a formula which benefits the rich; Quebec is trying to protect the low and medium income earner.

They are not using indexing. Mr. Speaker, Tory Ontario has gone to great lengths to criticize the indexing formula. I recommend this to the Members opposite called the “Impact and Indexing of Personal Income Tax.” You could hardly call, Mr. Speaker, that a very radical government. The majority of the provinces have strongly criticized indexing. The Member for Wilkie said that there may be better methods of protecting low income earners against inflation but in his general

confusion he said no one has yet come up with a satisfactory method. It is unfortunate, Mr. Speaker, that he did not hear my Budget Address. Had he listened, he would have heard the proposal for a system of tax credits to replace indexing of exemptions and tax brackets. I can only conclude, Mr. Speaker, that he was so overwhelmed by this “Good News” Budget that he did not hear what I said.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — Mr. Speaker, Opposition Members have been remarkably inept in their comments on many aspects of this Budget. But worse, Mr. Speaker, they have misrepresented it in an attempt to mystify and misinform Saskatchewan people.

Nearly all of the Members opposite have claimed that the change in the provincial income tax rate from 34 per cent to 37 per cent in 1972 was a tax increase. Each of them knew full well that it was not. I wonder, Mr. Speaker, how many times we have to read statements from the Federal Finance Minister to show that the change from 34 to 37 per cent was a change calculated for each and every province in the Federal-Provincial Agreement by the Federal Government to ensure that the provinces maintained their income tax yield under the tax system changes of 1972? In fact, Mr. Speaker, the Leader of the Opposition was the Provincial Treasurer when the matter was first discussed with the Federal Government. There has been one provincial personal income tax increase — it was from 37 per cent to 40 per cent. We did it because we believe that income tax is most closely linked with the ability to pay principle and that principle we continue to follow.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — The Member for Wilkie suggested last Monday that he has demonstrated his lack of understanding of federal-provincial tax agreements. If the Member for Wilkie has filled out an income tax form, he should know that the province levies its income tax as a percentage of the basic federal tax. I don't know whether he gets an income tax consultant to make out his forms, maybe 'Izzy Asper' does them for the Member for Wilkie. The level of personal exemptions is established by the Federal Government and not by any provincial government, with the exception of Quebec. Again, I would emphasize that the road to tax reform is not through increased exemptions, but through tax credits.

Now, Mr. Speaker, I should like to give you just two quick examples, if I may: If we replace the system of personal exemptions with a tax credit, each individual tax filer would get the same tax reduction regardless of his income. For instance in 1972 the average taxpayer in Canada claimed \$2,350 in personal exemptions which was worth \$675 in reduced taxes to that person. Under the current system of exemptions, the taxpayer in the 20 per cent tax bracket would have his tax reduced by \$470. The benefit to the person in the 50 per cent tax bracket is \$1,176 and to the person in the top bracket, 66 per cent, \$1,548. Mr. Speaker, this is hardly fair, hardly based on the ability to pay principle. The system we would propose would have given everyone with an average family size a tax credit of \$675. The low income wage earner would get the same benefit as

the person with the high income and the same family size.

Mr. Speaker, the Opposition insisted that I explain why some taxpayers pay provincial income tax but no federal tax. The answer is so simple that even the Members opposite should be able to understand. Provincial income tax is a percentage of federal basic tax. All you have to do is look at the form, one determines the federal basic tax. After that you deduct off it “foreign tax credit” and tax reduction from the basic federal tax. The provincial tax in every province in the Federal-Provincial Agreement is related to that basic federal tax. They know it, they are simply trying to confuse the public once again.

The federal tax cut — incidentally I wonder if we would have even got one if we hadn’t had a minority government in Ottawa — was made after the federal basic tax and hence provincial tax was determined. The nine provinces including Saskatchewan, which have tax collection agreements with the Federal Government, are all in exactly the same position. We are prevented by the inflexibility of the Agreement from making a similar tax cut. They know it, but they continue to try and confuse people with misleading information.

Last Friday, Mr. Speaker, the Member for Wilkie complained about our “restrictive regressive estate tax.” Let me remind him that there is no such animal. We do not have one. We do, however, levy a progressive succession duty. Let me provide two examples of who pays tax under our succession duty legislation. Under the current structure . . .

**Mr. Steuart:** — Dead people . . .

**Mr. Robbins:** — Dead people join the Liberal Party.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — Under the current structure, a widow left an estate of \$200,000 will pay no succession duties whatsoever. For an estate valued at \$300,000 she would pay roughly \$31,000. Certainly for estates of this size, there is little question of ability to pay. Mr. Speaker, we intend in this Session to increase the exemption level because of the inflationary trend.

I sat in amazement listening to the Member for Albert Park (Mr. MacLeod) tell us of the case of the missing Homeowner Grant. If members opposite had any understanding of federal-provincial financial arrangements they would know that the seven provinces which are recipients of equalization now receive additional funds in relation to their fiscal deficiency for school taxes. This Government was particularly pleased with Mr. Turner’s announcement because we had pressed for the inclusion of the equalization formula. Mr. Speaker, this component of our equalization payment has no identity whatsoever with a Homeowner Grant, nor has it in any way been tied to the reduction of property taxes. However, if the Members opposite want to know what the Government has done to reduce property taxes and assist municipalities then I invite them to read the Budget Speech. We have a Property Improvement Grant worth 20 mills. We have a \$10 per capita unconditional grant for urban municipalities. We have a new municipal equalization program. We have increased assistance for urban transit. We have a \$45.75 million community capital fund. And

on top of all this, Mr. Speaker, we have held the mill rate for school taxes to an average of 43 mills by picking up all of the extra costs of education for the third year in a row. Mr. Speaker, I am amazed at the people opposite. They say we give no credit to the Federal Government. Here is the Estimates for 1970. A net budget, nothing in it indicates any payments from the Federal Government. Here are the 1975 Estimates. On 14 agencies and departments you will find at the bottom of each and every one of them listed federal contributions. Public Health shows \$98,198,000.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — I should like to make one brief comment if I may with respect to the Hon. Member for Rosthern's (Mr. Boldt) comments in the Budget Debate. He objected to the fact that he would have to pay more E and H tax on the car he bought this year because it now costs \$8,000 instead of \$6,000 two or three years ago. I suppose those are those cheap Datsuns he is buying these days. It takes a peculiar kind of economic approach to be critical of \$100 increase in tax and ignore the \$2,000 increase in price related to the product. That's what I call economic encephalomyelitis.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — Mr. Speaker, when I introduced this Budget I said it was a Budget for economic development, economic development combined with social justice. Unlike the Members opposite, we do not have a fetish about economic growth. We do not believe in the idolatry of wealth. To attempt infinite growth in a finite environment is an absurdity. In rational economic development we must have a strong bias towards conservation. We cannot firesale our non-renewable resources without ultimately reaching the end of supply.

The assumption that growth will somehow solve all our economic and social problems, we believe, is a fallacious premise. Social justice is not necessarily a natural or complementary derivative of economic growth. The old line politician's contention that one should not ask for a larger slice of the economic pie, but rather promote growth so that everybody's slice will be larger, does not stand up to the scrutiny of history. Economic growth, like the outmoded theory of laissez-faire economics is presumed to relieve society of the awkward task of struggling with distributory justice. It does not do so.

**Mr. Speaker:** — I must interrupt the Member. Time allowed has now elapsed.

Amendment negatived on the following recorded division:

**YEAS — 12**  
Messieurs

Steuart  
Coupland  
Boldt  
Grant

MacDonald (Milestone)  
McIsaac  
Weatherald  
MacLeod

Lane  
MacDonald (M.Jaw)  
Wiebe  
Malone

**NAYS — 39**  
Messieurs

Blakeney	MacMurchy	Taylor
Meakes	Pepper	Matsalla
Smishek	Michayluk	Faris
Romanow	Byers	Owens
Messer	Thorson	Mostoway
Snyder	Whelan	Gross
Bowerman	Kwasnica	Comer
Kramer	Carlson	Lange
Thibault	Engel	Hanson
Larson	Cody	Oliver
Baker	Robbins	Feschuk
Kowalchuk	Tchorzewski	Kaeding
Brockelbank	Cowley	Richards

Motion agreed to on the following recorded division:

**YEAS — 38**  
Messieurs

Blakeney	MacMurchy	Taylor
Meakes	Pepper	Matsalla
Smishek	Michayluk	Faris
Romanow	Byers	Owens
Messer	Thorson	Mostoway
Snyder	Whelan	Gross
Bowerman	Kwasnica	Comer
Kramer	Carlson	Lange
Thibault	Engel	Hanson
Larson	Cody	Oliver
Baker	Robbins	Feschuk
Kowalchuk	Tchorzewski	Kaeding
Brockelbank	Cowley	

**NAYS — 12**  
Messieurs

Steuart	MacDonald (Milestone)	MacDonald (M.Jaw)
Coupland	McIsaac	Wiebe
Boldt	Weatherald	Malone
Grant	MacLeod	Lane

The Assembly adjourned at 5:30 o'clock p.m.