

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fifth Session — Eighteenth Legislature**

**March 14, 1978.**

The Assembly met at 2:00 o'clock p.m.  
On the Orders of the Day

**WELCOME TO STUDENTS**

**MR. E.C. MALONE (Regina Lakeview):**— Mr. Speaker, I am advised by one of the pages that we have a visit today by 13 high school students from Alta Vista High School which is located in the Lakeview constituency. The students are sitting in the east gallery. I want to on your behalf, welcome them to the Legislature today and I hope that they will find their visit today both enjoyable and instructive. I hope I will have some time to meet with them later after question period.

**MR. W.J.G. ALLEN (Regina Rosemont):**— Mr. Speaker, it is a great pleasure for me to introduce to you and through you to the members of the Legislature, a group of 60 students from Wascana School, seated in the west gallery. They are accompanied today by their teachers, Roice Barlow and Mr. Ron Kujat. I had the opportunity, Mr. Speaker, of visiting the school last week and speaking with these students in anticipation of their visit here today and I was very impressed with their knowledge and their interest in the public affairs of our province. I certainly hope that their visit today will at least encourage some of them to take an active role in the political life of Saskatchewan in the future. I look forward to meeting them a little later on and I'm sure all of us want to welcome them to the Legislature today.

**HON. MEMBERS:** Hear, hear!

**HON. A.E. BLAKENEY (Regina Elphinstone):**— I would like to join with the member for Rosemont in welcoming the students from Wascana. Many fine young people from the Elphinstone constituency attend Wascana School. They include two of my children, one of whom is sitting in the third row. I have visited the school on a number of occasions on parent-teacher night. I share with my colleague from Rosemont, the high opinion of the Wascana School.

**HON. MEMBERS:** Hear, hear!

**MR. J.R. KOWALCHUK (Melville):**— Mr. Speaker, it will just take a moment. I too, through you and all the other members of this House, would like to extend greetings to a group of nine students from Goodeve right in the village where I live. They are here today with their teacher, Mr. Bohay and their bus driver, Kenny Ruthgaber. Goodeve is an integrated school, Mr. Speaker, and we have students coming from the Black Bear Reserve for their public and junior high school education there. The relationship and the public relations in that school is excellent, Mr. Speaker. I will be meeting with these students later on in the afternoon. I hope they have a real good time in the city today and I hope that some of what goes on in this House here today will add to their education which I am sure they will take back with them. We also wish them a safe journey back home.

**HON. MEMBERS:** Hear, hear!

**HON. E.B. SHILLINGTON (Regina Centre):**— Mr. Speaker, I would like to introduce to

you and through you to the House a number of students from the Regina Plains Community College who are situated in your Gallery, the Speaker's Gallery. There are actually two groups from the College, one is a group of 40 adults accompanied by their teachers Stewart Mein, Bill O'Shaw, John Leboldus, Leslie Brown. The other is a group of 14 adults with their teacher Marlene Smale. I hope to have an opportunity, Mr. Speaker, to meet with these students later. I hope they find today's proceedings enlightening and they leave feeling they have had a realistic view of parliament and democracy in action. Thank you.

**HON. MEMBERS:** Hear, hear!

## **QUESTIONS**

### **REVENUE SHARING FORMULA**

**MR. R.L. COLLVER (Leader of the Conservative Opposition):**— Mr. Speaker, I would direct this question to the Premier and I would appreciate it if I could make a small preamble. There is much concern being expressed by cities, towns and villages and rural municipalities around the province about many aspects of the so-called revenue sharing formula being put out by the Department of Municipal Affairs as announced by the Minister of Finance in his Budget — such concerns as, for example, the requirement by the government to form associations for the purposes of creating the super grid system, concerns about farm access grants, concerns about grants that have been made over the years such as regravelling grants that are made once every second year, once every third year, that are now supposedly a part of revenue sharing and, therefore, there are a great many communities in our province that have stated that they will receive or it appears that they are going to receive less money under the new formula announced than they would have received had the old system been under way. These concerns are being expressed. I ask you, Mr. Premier . . .

**MR. SPEAKER:**— Order, could I have the member get to the question.

**MR. COLLVER:**— The question is this, are you prepared today on behalf of your government to commit the government of Saskatchewan, without qualification, to the fact that no municipality, town, village or city in the province of Saskatchewan will receive less money either by average or other than it would have received under the old system or the new system that you have introduced in this Budget?

**MR. MOSTOWAY:**— That's not what you said yesterday.

**MR. BLAKENEY:**— Mr. Speaker, I don't think anyone can give any generalized commitments like that. Obviously one can calculate grants in many different ways. Municipalities, for example, might well have been entitled to a community capital fund grant last year and not this year and, accordingly, they will get fewer dollars this year than last. I know the member for Nipawin would say that I didn't mean that. I could mention some other recreation grant which they might have got last year but they won't get this year. I know the member for Nipawin would say, well, I didn't mean that. I am merely illustrating the fact that there are so many grant programs and so many different ways of calculating entitlement that I think no one could give an unqualified statement that no municipality will get less money in operating grants, however that may be phrased, than they would have last year. Generally speaking the formula so operates so that it would be a very, very unusual circumstance indeed if any rural municipality got less money in the forthcoming year than they got last year.

**MR. COLLVER:**— A supplementary question, Mr. Speaker. In the light of the Premier's words and in the light of the tremendous number of grants and grant programs that he has announced today or that he said today, as we have seen so many grant programs and in the light of the apparent confusion on the part of a great many people in municipal governments in the province of Saskatchewan, are you prepared then to re-align your thinking in terms of specific amounts to be included in the so-called revenue sharing formula or will you, in fact, have a real revenue sharing program which will be a share of all provincial government revenues?

**MR. BLAKENEY:**— Mr. Speaker, firstly, with respect to announcing specific amounts I believe that the member for Last Mountain, the Minister for Municipal Affairs (Mr. MacMurchy) is at the SARM at this very moment in the course of announcing the grants to individual municipalities, individual rural municipalities. He spoke with them this morning and so far as I am aware he will be giving them that information today.

With respect to the other point raised by the member for Nipawin I think he misconceives the nature of the revenue sharing formula. No one has suggested that there is not a sharing of all provincial revenues. Indeed, the dollars that come into the till do not bear a sign which says, 'sales tax', 'gasoline tax', 'resource revenue'; they all come in and they are all paid out. There is no suggestion that any money is being withheld from the Consolidated Fund except, of course, for the Heritage Fund out of which the revenues are being paid. The question that the hon. member directs himself to is how they shall be escalated, what the index shall be. The index is not in effect so in a sense it is a theoretical question but the announced index is not based upon all provincial revenues but is based upon selective provincial revenues and that is to give the index a greater degree of stability. Resource revenues go up and down. It is entirely possible for some resource revenues to go down. The revenues selected for the index, the sales tax and the gasoline tax and the others, have an almost unrestricted, almost unimpeded record of gradual increase. That, I think, is the sort of index which the municipalities will want rather than one which goes up and down depending upon the exigencies of the economy and, accordingly, we have negotiated with them an index. Please note that has nothing to do with where the money comes from.

**MR. COLLVER:**— In the light of the Premier's refusal to give the same kind of guarantee or assurance to municipalities that was included in the Budget Speech, which was that no municipality would receive less and that the implication was operating grants, will the Premier announce today, at the very least, an appeal procedure by municipalities, cities, towns and villages in the province who end up receiving less than they would have otherwise got under the old system, an appeal procedure that they will at least receive as much this year as they received last year.

**MR. BLAKENEY:**— Mr. Speaker, the difficulty with the hon. member for Nipawin is that, while the Minister of Finance will state in the Budget Speech the government policy, the member for Nipawin likes to rephrase the matter a little bit more than somewhat and then asks someone to say yes or no to it. I have, I think, acquired that degree of caution which everyone should acquire, indeed, with the member for Nipawin and, accordingly, I would prefer to rely upon the words of the Minister of Finance. And if I may say, whatever is in the Budget speech is government policy and if that assurance is there then it is government policy.

## INCREASE IN TUITION FEES

**MR. W.H. STODALKA (Maple Creek):**— Mr. Speaker, a question to the Minister of Continuing Education. As the minister is undoubtedly aware there has been an increase of approximately 9 per cent in the tuition fees at the University of Regina that has been announced. In fact, Regina already has the highest tuition fees in western Canada. The College of Arts and Science, in fact, charge over \$100 more per year tuition fees than the neighboring provinces, particularly Alberta and Manitoba. Would the minister please justify as to why we have this increase that exceeds over \$100 beyond the other two provinces and, secondly, would he indicate what programs he might be thinking about to help some of these young people to ensure that people from these, particularly the low and middle income families will have an opportunity to go to university next year.

**HON. D.L. FARIS (Minister of Education):**— Mr. Speaker, I'm very pleased to answer this question. You'll find if you examine grants to the university sector across Canada this year, that the grants of Saskatchewan are the highest percentage increase of any province in Canada. Grants to the university sector in Saskatchewan this year exceed 10 per cent. In British Columbia, they'll be about five or six per cent, in Ontario, about four or five per cent and in Alberta, wealthy Alberta, they'll be approximately eight per cent. I can tell you that the tuition fees do exceed those in some other provinces. The university in Saskatoon last year had exactly the same tuition fees as the University of British Columbia, however, and you can talk about in terms of an average difference of something like \$50.

I want to say this. We have the richest bursary program to assist these students, of any province in western Canada. Students here can receive over \$400 a year more, on the basis of need, than students in our neighboring provinces.

In addition to that, there are other costs that are laid upon students in other provinces which are not borne in this province, for example, car insurance. Most young people have cars and in Alberta they pay \$800 a year more than they do for car insurance in this province; in Ontario, over \$1,000 a year more. Mr. Speaker, this is the best province in Canada for students to attend a university.

**MR. STODALKA:**— I would ask the minister to pause and to listen to see how satisfactory his particular programs are at the present time. We can all talk about percentages and 10 per cent of this and 10 per cent of that or 15 but what did they start out as at the beginning? Percentages mean nothing if you talk about bases that are not comparable but I would like to ask the minister, what incentive is there for a student in rural Saskatchewan to attend university in either Regina or Saskatoon if he's going to have to pay over \$100 per year more in fees?

**MR. FARIS:**— Mr. Speaker, he can receive up to \$3,600 in student loans and grants, over \$1,800 in grants and not \$1 was available under the former Liberal government for grants for those students.

**SOME HON. MEMBERS:** Hear, hear!

### **INCREASE IN POTASH MINES**

**MR. R.A. LARTER (Estevan):**— Mr. Speaker, question to the Minister in charge of Sask. Potash and PCS (Potash Corporation of Saskatchewan). During the potash debate it was mentioned that, at that time, the Russians were experimenting with trading potash for surplus wheat. On March 13 editorial of the Leader Post they

mentioned that Russian potash sales could harm our market. Now with the real potential of United States markets being eroded with the increase of sales of Russian potash in the United States, is the government going to go ahead with their increases in the output of the present mines which they now own?

**HON. E.L. COWLEY (Minister of charge of the Potash Corporation):**— Mr. Speaker, after yesterday I went back and read the article that the member for Estevan was quoting from and he conveniently took one paragraph out of the middle of a quarter page article and forgot the rest of it. I suppose they may have done the same thing. I would've thought, however, that the member for Estevan would not be at all worried about Soviet potash because, according to him, the only people who can produce potash and sell it in any market are private enterprisers. However, I want to assure the member opposite that we think that not only the public sector in this province, but indeed perhaps even the private sector in this province will be able to compete effectively with the Soviets for potash markets in the U.S. The short answer to his question is that we intend to increase our capacity.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LARTER:**— I wonder if the minister does know that he now is in the free market system business and have you estimated just how much of this potash market the Russians could take away from PSC?

**MR. COWLEY:**— Yes, we are in the free market system along with the Russians, and, yes, we do have estimates.

#### PERCENTAGE DROP IN FEES IN BUDGET

**MR. G.H. PENNER (Saskatoon Eastview):**— A question to the Minister of Continuing Education, Mr. Speaker. Is the Minister of Continuing Education aware of the fact that in terms of percentage of budget that the difference between what was budgeted in 1971 and what has been budgeted in 1978 is a drop in priority from 25.4 per cent to 22.3 per cent and that in fact is the reason why our fees in Saskatchewan are higher than they are anywhere else in western Canada?

**SOME HON. MEMBERS:** Hear, hear!

**MR. FARIS:**— Mr. Speaker, that is the foolish, shallow sort of analysis I would expect from the member on the other side. The reason for that percentage drop is that there has been a tremendous expansion in programs for other people. For instance, senior citizens receive over \$80 million in programs now where they received less than \$4 million under your government. Do you want us to take the money away from senior citizens; do you want to take it away from children for the Dental Plan?

**SOME HON. MEMBERS:** Hear, hear!

**MR. PENNER:**— I wonder if the Minister of Education, when he talks about shallowness, would not agree with the proposition that in fact the only reason that fees in Saskatchewan are higher than they are anywhere else in western Canada by well over \$100 before this fee increase was put into effect is because your priority is such that the only people you feel want an education beyond the secondary level are those who are rich and can afford it in the first place.

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**SOME HON. MEMBERS:** Hear, hear!

**MR. FARIS:**— Mr. Speaker, we introduced a bursary program in this province where a student on the basis of need can receive up to \$1,800 each and every year and not have to pay back one cent of that. When your party was in government there was not one cent available for those students.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FARIS:**— I want to tell you this, Mr. Speaker, that from 1970 to the present time, although the student enrolment from 1970 to the present has increased about 4 per cent or 5 per cent, the number of staff and faculty at our universities in Saskatchewan has increased over 28 per cent.

### **PAMPHLET ON TOURISM**

**MR. J.G. LANE (Qu'Appelle):**— Mr. Speaker, I would like to direct a question to the Minister of Tourism. You alluded in your remarks last night to the new travel rates for Share Canada and the fact that Saskatchewan has been left out of that program. I have a pamphlet that was mail dropped in the city of Regina and I believe Saskatoon and according to the pamphlet, if I can explain, was inserted in other major urban papers in Canada. That particular pamphlet makes no reference whatsoever to the province of Saskatchewan, makes no reference whatsoever to the great tourist areas of the province and I am wondering what action the government has taken to call to the attention of the publishers of this particular article, of the discrimination both by Air Canada and the article itself in ignoring Saskatchewan's tourist areas.

**HON. A. MATSALLA (Minister of Tourism and Renewable Resources):**— Mr. Speaker, I am not aware of the pamphlet that the hon. member has in his possession. I would certainly like to see the pamphlet and make a review of it to see what he means by his remarks. He might be quite correct and with respect to the package tours that have been set up in the promotion of tourism in Canada, I have certainly expressed my disappointment in no uncertain terms to the federal minister and hopefully that Saskatchewan could be better represented in a tour package. I am not too sure whether this could be out for this year, but certainly for the future.

**MR. LANE:**— My supplementary, Mr. Speaker. I heard the comment about 'nationalize' and that's the first answer to everything from the government opposite. My question to the minister: will you undertake to raise with Air Canada, as well as the minister the discrimination by Air Canada against the province of Saskatchewan and urge Air Canada as a national Crown corporation to start to take and recognize the tourist potential of this province and not to continue the blatant.. frankly, I call it an insult.. the program promoted by Air Canada and this particular magazine and I am going to table this magazine and hope that the Minister of Tourism would have his officials write to them and clarify the omission?

**MR. MATSALLA:**— Mr. Speaker, I want an opportunity to review the periodical, or the pamphlet the hon. member is referring to and certainly we will make representation to the proper agencies if Saskatchewan is not represented in that travel magazine.

### **INVESTIGATION INTO CUMBERLAND HOUSE PROGRAM**

**MR. G.N. WIPF (Prince Albert-Duck Lake):**— Mr. Speaker, a question to the Minister of

Northern Saskatchewan. The Department of Northern Saskatchewan started an investigation into the Cumberland House Residential Rehabilitation Program in March or April of 1977, just about a year ago. Is the minister prepared today to table or tell this Assembly the results of his department's own investigation into that program?

**HON. G.R. BOWERMAN (Minister of Northern Saskatchewan):**— Mr. Speaker, I attempted to answer the member yesterday that the department on its own did not undertake any investigation of that incident. Any investigation which has been undertaken has been undertaken jointly by CMHC and the department as well as the Attorney General's department. There is no report that I know of that has come to my attention that has come back as a result of investigations made, a full report of the details or the assessment of the facts as they have been investigated in Cumberland House or in some of the other areas related to the Residential Rehabilitation Program.

**MR. WIPF:**— By way of supplementary, Mr. Speaker. Can the minister tell this Assembly, as this investigation has been going on for a year, why was \$40,000 released to Mr. Howard Thompson the contractor, prior to the completion of work in these homes in Cumberland House and has this contractor completed the work yet or has he not completed it? If so, who has requested him to do it? If he hasn't done it, is the work completed, is what I am asking?

**MR. BOWERMAN:**— Mr. Speaker, if the particular person whom the member refers to is part of the investigation that is underway, then I do not have as I have already indicated, a final report with respect to that and therefore I can give no answer. If there is any particular question in detail that he wishes to know I would suggest that he put the matter on the order paper and we will answer it as all other issues of that kind are answered.

### PROPOSED TAXING REGULATIONS – BILL 47

**MR. E.C. MALONE (Leader of the Liberal Opposition):**— I notice that the Minister of Education has gone out of the House and does not answer any of our questions on education so I would like to direct a question to the Premier. I understand, Mr. Premier, today that government is meeting with officials of the oil industry, IPAC and CPA, to discuss the proposed taxing regulations under Bill 47. In view of the fact that these regulations have now been prepared, and in view of the fact that they have been released to the oil industry for discussion purposes, my question to the Premier is, are you prepared to table the proposed tax regulations in this Legislature so that newly elected members of the Legislature can peruse them and make comment on them?

**HON. J.R. MESSER (Minister of Mineral Resources):**— Mr. Speaker, as was indicated to the members of this Legislative Assembly when we introduced Bill 47, we would undertake when we had completed our draft of regulations, introduce them to the industry for their comments. I think that it would be inappropriate at this time to undertake to convey them to the general public, as we have not yet as a government or as a Department of Mineral Resources, finally decided on the introduction of those regulations. It is this process, Mr. Speaker, which will allow us to come to a final decision in regard to those regulations and at that particular point in time we will make them available to the members of the Legislative Assembly and the general public.

**MR. MALONE:**— Mr. Speaker, one of the concerns that was raised by both opposition parties in the debate on Bill 47 was that these regulations would be passed in the secrecy of the Cabinet room

and then discussed in the secrecy of the Cabinet room with the industry. Would the minister not agree with the opposition parties that in acting in this manner, you are taking away from the duly elected representatives of the people of Saskatchewan, their right to peruse taxing legislation, and would you not agree further that you are showing complete and utter contempt for this legislature by not allowing us to look at these regulations and make comment on them?

**MR. MESSER:**— I don't know in what other area that regulations are introduced to the members of the Legislative Assembly before they are passed. I suggest not in any other, and the member, the Leader of the Liberal Party, Mr. Speaker, the Leader of the Liberal Opposition in Saskatchewan, can't have it both ways. We conveyed to him that we would undertake to discuss the regulations with the oil industry which they affect before we undertake to give final consideration to introducing those regulations. Furthermore, Mr. Speaker, we have not conveyed to the oil industry that those regulations are in any way a secret. I would suggest that the members who sit to your left, Mr. Speaker, may undertake to discuss with the oil industry the regulations that we have introduced to them and it is therefore up to the oil industry to decide whether or not they want the members of the Legislative Assembly and the opposition to discuss those regulations with them. I do not believe that it is the responsibility of the government at this particular point in time so the members of the opposition can play cheap politics with them.

## **ADJOURNED DEBATE**

### **BUDGET DEBATE**

The Assembly resumed the adjourned debate on the proposed motion of Mr. Smishek (Minister of Finance) that this Assembly do now resolve itself into a Committee of the Finance and the amendment thereto by Mr. Penner (Saskatoon Eastview).

**MR. J.A. PEPPER (Weyburn):**— Mr. Speaker, yesterday evening when I adjourned the debate I stated that this Budget reflects a number of important principles. It tells the people of Saskatchewan quite a lot about this government and its approach towards the affairs of the province. Members opposite have been hard pressed again to find fault with it. They have found themselves grasping at air when it comes to criticizing our budgetary proposals.

During the past year members opposite have been urging us to do many things, Mr. Speaker. They called on us to cut taxes. They wanted more money spent on our health system. They told us we should be doing more to stimulate the economy. They wanted more jobs. They wanted greater assistance for urban municipalities and the list went on and on. Well, this Budget reflects those concerns. It tackles the problems that we face.

Mr. Speaker, the member for Thunder Creek (Mr. Thatcher) has indicated he is not very impressed with the Budget. What he then says, at least that's the way I read it, is that he and his Conservative colleagues are not too impressed with the across-the-board tax cuts to Saskatchewan residents, or with increased Property Improvement Grants or more money for municipalities or increased grants to school boards or the 4,400 new jobs that we anticipate to become a reality, more money for highways and the list again goes on and on.

Mr. Speaker, when the vote comes on this Budget, the people of Saskatchewan will be watching very carefully. Members opposite have been talking about a "better way" for



Saskatchewan. They have been saying that this government is not responding to the needs of the province. This Budget again reiterates our commitment to Saskatchewan. It is a good Budget and members opposite who might be tempted to vote against it should have second thoughts, I can assure you.

Before offering this Assembly some specific comments on this Budget I think a couple of things should be stressed at this time. The Leader of the Opposition, the member for Lakeview (Mr. Malone) says, "Rather than 'jobs today, energy tomorrow,' we should have had jobs yesterday with energy today." Well, Mr. Speaker, one might be tempted to bring out the record to see how well they responded to those challenges when they had the chance. However, I will just say that their promise of 80,000 new jobs and exciting resource development programs were nothing more than shallow promises made in the heat of an election campaign.

As for the Conservatives, Mr. Speaker, well they have been much more vocal in the past. Therefore, I might just add a few thoughts to offset some of the misrepresentation which has emanated from the benches opposite.

Since the Conservatives surfaced in this House following the last election, Mr. Speaker, we have heard much about what Conservative governments are capable of. They have said, give us a change. We'll show you what can be done. Well, let's look at what they can do. I am sure members of the Saskatchewan Conservative caucus support their colleagues in Ontario. I am sure that they applaud their efforts and I am sure we could expect the same if they were ever given the opportunity to govern this province.

The same day of our Budget, do you remember, Mr. Speaker, the Conservative government of Ontario also had brought down a budget. What were the highlights?

Well, health premiums increased 37.5 per cent, mining taxes to such responsible corporate citizens as INCO, cut substantially, virtually nothing to provide full time employment for some of the 316,000 Ontario residents who are out of work. Last year their Finance Minister predicted a deficit of \$992 million, Mr. Speaker. He was only 61 per cent off base. Projected deficit this year in Ontario budget is \$1.4 billion. Mr. Speaker, there is more, but this gives you an idea of what Conservatives can do.

Mr. Speaker, at a time when all provinces and the federal government are finding it next to impossible to cope with economic uncertainty and the inflationary pressures that are being imposed on our economies, it is interesting to speculate about why Saskatchewan is able to do those things which other provinces are only able to dream about.

Consider, for a moment, the facts about resource revenue. Is it any wonder, Mr. Speaker, that in Conservative Ontario health premiums are over \$500 a year and grants for schools, municipalities, job creation and the like are minimal when you consider that total revenues from resources, in Ontario, account for 2 per cent of total revenue when in Saskatchewan the level is 25 per cent.

**SOME HON. MEMBERS:** Hear, hear!

**MR. PEPPER:**— Members opposite, Mr. Speaker, want more for the people but they want less for resource development and resource revenue. Surely, members opposite can figure out that our programs cost money and this money must come from somewhere. If we recognize the fact that our resources belong to all of us, then surely it

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is reasonable to expect some benefit to be derived when these resources are developed. Our ability to keep pace with the public expectation in terms of programs, policies and services is a direct result of our good management in terms of our resource development.

Mr. Speaker, allow me just briefly to comment on a couple of issues detailed in the Budget. It is encouraging to note that this government is able to reduce auto premiums as a result of the encouraging decrease in fatalities and injuries since Safety '77 and our seat belt legislation has been passed. Members opposite are on record as opposing seat belts. I wonder if they now oppose the results our legislation brought forth?

Mr. Speaker, another area of government commitment which I am particularly proud of is in the area of senior citizens. We all know that income security is a concern for everyone but of a particular concern for our senior citizens. The federal government's record in this regard is not too impressive to say the least.

Senior citizens on fixed incomes are forced to face the brunt of inflation and the effects are devastating. You will recall that a couple of years ago, we introduced the Saskatchewan Income Plan. This Budget will increase benefits under that plan by 25 per cent.

Mr. Speaker, I say that is performance. Combined with other initiatives such as income tax cuts, increased Property Improvement Grants and others, I am sure this Budget will generate widespread support from the senior citizens of this province.

Mr. Speaker, the introduction of phase one of the revenue sharing plan for municipal governments is particularly gratifying. I am pleased that we were able to announce that urban municipalities will get \$12 million more or an average increase of 45 per cent in three unconditional grants. I am even more pleased that our Finance Minister was able to make a commitment to provide a further substantial increase again next year. We all know that revenue sharing does not replace all grants provided by government to urban municipalities, but only replaces the equalization, the police and the per capita grants which were paid last year.

I ask and I say to you, Mr. Speaker, what will this mean for my constituency. For example, Weyburn will now receive \$435,725 or an increase of more than 64 per cent this year.

**SOME HON. MEMBERS:** Hear, hear!

**MR. PEPPER:**— The communities of Creelman, Fillmore, Forget, Heward, McTaggart, Osage and Stoughton will receive \$61,712 or an increase of 61.8 per cent. Coupled with the average 11 per cent increase in school board grants across the province and a 14 per cent increase in the Property Improvement Grants, I am confident that substantial relief to rising property taxes will be effected.

**SOME HON. MEMBERS:** Hear, hear!

**MR. PEPPER:**— I make this statement, Mr. Speaker, again because our ability to provide these kinds of increases together with substantial tax cuts is in a large part attributable to the fact that resource revenues now amount to about 25 per cent of the total revenue of the province compared to 7 per cent seven years ago. That means we now have a cushion against the ups and downs experienced by every province where agriculture is

so significant a part of the economy.

In agriculture, Mr. Speaker, programs such as Land Bank, Farm Start, Operation Open Roads, Operation Mainstreet, the Community Capital Fund are all examples which come to mind and which we have started and which are benefiting from this legislation. Now, Mr. Speaker, I could go on and on. The record is very clear. We have brought down our seventh budget since assuming office and I am sure you would only find a small minority who would not agree that tremendous progress has been recorded in a very short period of time.

**SOME HON. MEMBERS:** Hear, hear!

**MR. PEPPER:**— Much more, Mr. Speaker, needs to be done and much more will be done. However, this Budget can be viewed only with enthusiasm and confidence. It would have been easy to sit back, Mr. Speaker, very easy and hold onto the purse strings and submit to the ‘hold the line’ philosophy gripping other governments across the nation.

But I can assure you, Mr. Speaker, that we on this side of the House have confidence in Saskatchewan. We have confidence in our economy; we have confidence that the legislative proposals we have brought forward in this Budget will go a long way in meeting the collective aspirations we share in terms of social and economic growth of Saskatchewan.

Now, Mr. Speaker, because of this, this Budget will indeed provide the stimulus required and because it deals with those areas where positive reaction can be expected in the near future, I offer my full and active support to the Budget and will vote against the amendment.

**SOME HON. MEMBERS:** Hear, hear!

**HON. J.R. MESSER (Minister of Mineral Resources):**— Mr. Speaker, I am proud to enter this debate and to stand in support of my colleague, the Minister of Finance.

This outstanding Budget proves once again that the Blakeney government is the most responsible and the most competent government in Canada.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— This Budget proves that our government, the government of the people of Saskatchewan has accepted the challenge, not only of planning for today, but also planning for the future of this province.

Mr. Speaker, that planning for the future of this province has spilled over outside of the boundaries of the province of Saskatchewan and is in effect planning and assisting the future of Canada in total.

I say to you, Mr. Speaker, that we are the only government in Canada today that is facing that challenge, the only government. One just has to look at the federal Liberal government, floundering and sputtering, totally helpless to this point in time with its fight against inflation, with its fight against unemployment. Look at the Tory government in Ontario. It would be hard to find a more hopeless budget than theirs. I can't say, Mr. Speaker, I can't say I have heard many opposition voices calling from the

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Tory benches for us to take advice from Ontario this week, not this week, Mr. Speaker. But I can't blame them. I was, as I am certain most citizens were, embarrassed by that miserable performance in Ontario.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Mr. Speaker, the Blakeney government has shown Saskatchewan and Canadian people alike that we are sure and that we are strong. We have taken a responsible attitude to budgeting, coping with immediate and short-term problems and also setting money aside when the economy is more buoyant to be sure that in tough times Saskatchewan and its people will have the services they need and they rightfully deserve.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Mr. Speaker, if either of the parties opposite had brought down this Budget, there would have been fewer level IV beds instead of more; no senior citizens' package instead of an expanded one; no revenue sharing plan and no capital works projects to provide needed employment opportunities. They couldn't have done a single one of these, Mr. Speaker, and the reason is resource management, NDP resource management, Mr. Speaker. Our government had the strength, the strength to stand up to the multinationals that were reaping all of the benefits from our resources and to tell them that it was about time that the people of this province saw some of the benefits of living in a province with resources. So when the oil prices soared in 1973 we put legislation in place to ensure a fair return on those increases, to and for Saskatchewan people.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Sure the oil companies fought but they weren't suffering. We weren't about to cater to their every whim as we see other weak-kneed Tory and Liberal governments in other provinces doing.

Bill 42 ensured a fair return to both producer and to owner. We had anticipated our future needs and had set money aside for then. But what we could not have anticipated was that the Supreme Court of Canada would overrule all of the Saskatchewan judges and take a new and fiercely centralistic position. But despite the opposition that our resource policy faced from the federal government octopus, we refused to be deferred. We believe that Saskatchewan people have a right to their resources, and that principle, Mr. Speaker, we will never compromise.

We put into place new legislation that will protect the \$500 million dollars plus, already collected, and will insure a fair return for the oil industry, and for the people of Saskatchewan in the future.

Mr. Speaker, our oil industry is now flourishing. Drilling in 1977 was double that of 1976 and there is every indication from the petroleum industry that increased oil activity will continue well into 1978. There is ongoing research into improved methods of recovery, especially for heavy oil. Negotiations are continuing in the hope of establishing a heavy oil upgrading facility in Saskatchewan in the future. There can be no doubt, no doubt that 1978 will be a good year for development of our oil resources.

I don't mind reminding the members of this House about the statement by the Minister

of Energy Mines and Resources, Mr. Speaker, Alastair Gillespie, a statement which he made only a few days ago, that if a Tory government were elected in Ottawa, (and I say a Tory government elected anywhere) it will mean no upgrading facility and no energy projects, Mr. Speaker. The Tory government, the people of Saskatchewan, and the people of Canada know where they stand. They disagree with the proposal put forward by the Premier of this province agreed to by the federal government of Canada, and that is, "jobs for today, energy for tomorrow."

But, Mr. Speaker, oil is only one part of our resource policy. We have made equally great strides in the area of potash management. Here too, our record shows confidence. The Blakeney government has instilled confidence in the mining community. The Prospectors and Mining Development Association say our royalties are fair. They welcome the opportunity to enter into joint ventures, and agree that Saskatchewan holds considerable promise for the future. One only has to look at the developmental activities in the Province of Saskatchewan compared to any other province in Canada, and know that it is the policies and the actions of this, the New Democratic Party government, which has brought about that level of activity.

We are working in other areas too. Areas that are more closely associated with energy, coal, hydro and uranium. Policies are being formulated for the best and most responsible use of these resources. We have also taken steps to keep power and gas rates to a minimum.

Mr. Speaker, in percentage terms, the prices of natural gas increase costs to the Saskatchewan Power Corporation have increased in excess of 22 per cent in 1974, in excess of 67 per cent in 1975, in excess of 49 per cent in 1976, and in excess of 49 per cent in 1977. That, Mr. Speaker, is a total of 189 per cent increase in only four years, a 189 per cent increase in cost of natural gas to the Saskatchewan Power Corporation in four years time.

Now, Mr. Speaker, you might ask as I suggest other citizens of Saskatchewan ask: Why? Why, Mr. Speaker, why has SPC's costs risen so sharply? Let us look at some of the actions of the federal government. In the past four years SPC has been particularly vulnerable to the rapidly increasing price of natural gas from Alberta. Mr. Speaker, we depend on Alberta for 65 to 70 per cent of our natural gas. Let me give you an example. During 1975, natural gas cost to SPC increased by 67.7 per cent, simply because the federal Liberal government decided it was time to increase incentives to the private sector for new explorations at a time when their profits had never been higher, Mr. Speaker. Only two years before the gas producing companies and the federal government claimed that we had enough natural gas to supply the market for hundreds of years. Only two years before, that was the position of the federal government and of the gas companies.

In 1975, the federal government under great pressure from the oil companies, passed legislation that gave an additional 25 cents per mcf return to the natural gas producers. In 1976, and I ask the Liberal members opposite to listen carefully, the federal and the Alberta governments agreed to another across the board increase of 26 cents per mcf. Both of those years, Mr. Speaker, were record profit years for resource development companies.

Mr. Speaker, in total, this means since 1971, the cost of Alberta gas to Saskatchewan

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has risen by 600 per cent. The complete and total disregard for establishing a national energy policy, by the federal government during the '60s and early '70s, produced these unprecedented cost increases to SPC (Sask Power Corporation) and other utilities in Canada. Fortunately, Mr. Speaker, SPC has been able to shelter customers from these real costs of production . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— . . . despite the fact that the cost of fuel, natural gas, oil and coal, per kilowatt hour, to Sask Power Corporation, rose by 280 per cent from '72 to '77, SPC's revenue per kilowatt hour increased by less than one-fifth as much. In other words, Mr. Speaker, costs of all fuel to generate electricity in Saskatchewan increased in a five year period by 280 per cent. The cost of that power to the consumer increased by one-fifth of that amount. That's good management, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— SPC has, whenever possible, absorbed increased fuel costs to the benefit of Saskatchewan consumers. The cost of electricity, in constant dollar terms, is lower today than it was 20 or 10 or even five years ago, despite increased demands and expansion of the electrical system. The average residential user of electricity paid, in constant dollar terms, 2.5 cents per kilowatt hour in 1964. That consumer paid, in constant dollar terms, 1.8 cents per kilowatt hour in 1972. In constant dollar terms that consumer paid 1.6 cents per kilowatt hour in 1977. To put that another way, Mr. Speaker, the average Saskatchewan homeowner spent one per cent less of his personal disposable income on electricity and natural gas in Saskatchewan in 1977 than he did in 1970. I doubt that there is a single other area in Canada where that is the case. I can assure you, Mr. Speaker, it's certainly not the case in Tory Manitoba. It's certainly not the case in Tory Ontario and, Mr. Speaker, it's certainly not the case in Tory Alberta, the richest energy producing province in Canada.

In 1977 Saskatchewan Power Corporation electrical rate increases were considerably lower than a number of other utilities, lower than the 20 per cent increase by Alberta Power, Tory Alberta, lower than the 30.3 per cent increase by Ontario Hydro — Conservative, Tory Ontario, or the 47 per cent increase of Nova Scotia Power.

Our rates remain well below the national average. In fact, the average cost of 500 kilowatt hours of electricity, for all Canadian utilities, is now, today, \$16.89 but is, in Saskatchewan, \$14.96..

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— . . . almost two dollars, per 500 kilowatt hours, less than any other province in Canada, certainly less than the Canadian average.

Home-owners in Saskatchewan are still supplied with natural gas and electricity at less cost than in other communities such as Vancouver, Prince George, Grande Prairie, Brandon, Winnipeg, Thunder Bay or Toronto, Mr. Speaker.

Mr. Speaker, these are the actions of a responsible government. While I would like to continue talking about our actions as a competent and as a strong government, I'd like to also deal, Mr. Speaker, with those comments made in the debate by the opposition. There haven't been many. They haven't amounted to much, particularly the comments

made by the recycled member for Thunder Creek, Mr. Thatcher, the now PC financial critic. The speech by the member was a poor one but he can be forgiven for that. The job of a critic is not easy when there's nothing to criticize. I understand that the hon. member might have other things on his mind which deterred him from producing an able performance in this House, other things, Mr. Speaker, such as the fact even the local Conservatives in his riding are ashamed to have him as one of theirs, and at present, whether you're in Chaplin or Tugaskie or Pense, the smart money is running on Don Swinson for the PC nomination. It's almost unfortunate, Mr. Speaker, that it might not be the NDP, or for that matter, the Liberals who administer the well-deserved defeat to the member for Thunder Creek, but his own new-found friends.

I won't make that a definite prediction, Mr. Speaker, but only because I do not underestimate the ability of the PC leader, the member for Nipawin, Mr. Collver, to fix things up for the member. To fix things up, Mr. Speaker, in the same manner he offered to fix things up for at least five other members of this Assembly in requesting them to walk across the floor and join the Conservative Party. The member, Mr. Speaker, for Thunder Creek, his economic theories aren't even as up-to-date as Adam Smith's. Using some lost logic the member's first comments in the Budget were that capital moneys spent by government don't have the same spin-off as do moneys spent by the private sector. It amazes me how the contractors and sub-contractors and the tradesmen and the suppliers over there are able to tell if a dollar originates from the government or from the private sector. It amazes me further to learn that when they are in receipt of a dollar which originated with government they either refuse to take it or refuse to spend it or refuse to invest it and thus end the circulation of that money. That's an amazing theory, Mr. Speaker.

We hear what the member for Thunder Creek says the Progressive Conservatives would do if in power and we see in Alberta and Manitoba and Ontario what they actually do if they are in power.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— The difference, Mr. Speaker, is frightening.

Who are the Conservatives and what do they stand for? In terms of political leadership they are Clark and Collver — the dismal and the distraught. A federal leader who is incapable of deciding which side of his head he should shear for a part and a provincial leader deciding how he should shear his partners.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Mr. Speaker, I want to deal for just a moment longer with the Progressive Conservative Leader. He and his supporters are very sensitive to the comments on the member for Nipawin, Mr. Collver's personal life. They imply that somehow it is unfair for the press to point out that he has some difficulties on that front. Mr. Speaker, when the member for Nipawin, Mr. Collver, made the decision to become a leader of a political party he should have realized that he was accepting the fact that as a public figure his life is open to public scrutiny and I believe that that is how it should be.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— You know, Mr. Speaker, there was a line in a song which was popular a

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few years ago which goes, and I quote:

But he can't even run his own life, I'll be damned if he'll run mine.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Well I suggest to you, Mr. Speaker, the people of Saskatchewan will never give him that opportunity, never. The voters of Saskatchewan and of Nipawin constituency have a right to information about the Conservative Leader so they can assess his potential in light of that knowledge.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Mr. Speaker, where are the Conservatives in terms of dealing with the major problems of the day, in terms of planning? Joe Clark's most profound and well-sounded proposal is to eliminate 60,000 public jobs. His method of dealing with unemployment is to add 60,000 more names to the roll of the unemployed. A brilliant stroke, Mr. Speaker!

Provincially, Mr. Collver proposed to take our potash and our oil resource companies and place them in private hands. This is our future and our children's future, Mr. Speaker, and the member for Nipawin a la Collver says, sell it all.

Now, Mr. Speaker, to be fair he has a provision thrown in there to make it sound better. He says that no one will be allowed to own more than 2 per cent of the shares that he issues. Mr. Speaker, 2 per cent into 100 per cent goes 50. So you think that you, Sir, or I, or any of our friends, or many of the people following this broadcast on radio will be one of Mr. Collver's 'Fabulous Fifty'? To coin a phrase by the recycled member for Thunder Creek, Mr. Thatcher, not bloody likely.

Mr. Speaker, the Conservatives are the party of the like of Jack Horner and Stan Shumacher. They are the party of unfounded, irresponsible charges of filthy hospitals. They are the party of unfounded and irresponsible charges of mythical deals. They are the party who boast of respect for this institution and call for decorum only to shatter that boast and make mockery of that call by attacking the institution of you, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— They are the party of Lane and Thatcher, two expatriate Liberals who had not the courage nor the gumption nor the support to seek the leadership of their former party, only the expedience to knife it as they slunk away only to become rodents moving from one sinking ship to another. At a time when circumstances call for, call for, Mr. Speaker, and indeed demand that governments show leadership and faith and take action, Conservative governments and Conservative parties are crawling into its hole of 19th century economic delusion.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— At a time, Mr. Speaker, when ordinary people are caught in the bind the Progressive government of Ontario reacts by increasing their health premiums by more than 30 per cent. At a time when unemployment in the province of Manitoba was already snowing under its construction industry, the Progressive Conservative



government of that province reacted by eliminating much needed public housing programs and capital expenditures. At a time when the dismal performance of other provinces driving their unemployed and their problems to Saskatchewan, the member for Thunder Creek says, draw in your horns. He says rely, and I quote, 'rely on the private sector'. What he is saying, Mr. Speaker, is that we should follow suit with both Ontario and Manitoba and rely on such stalwart members of the private sector as INCO and Falconbridge to work things out for us.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— Mr. Speaker, we in the New Democratic Party, we in the NDP government have faith in this province, faith in its people, faith in its future. This Budget is an expression of that faith. It is a Budget of action; it is a Budget of positive action. The 1978-79 Budget has something for every segment of the Saskatchewan society. There is a job creation program to provide employment and at the same time services like highways and houses. There are tax cuts. There are improved health benefits, more level IV beds, ambulance services and a larger dental plan. There is the first comprehensive revenue sharing plan in Canada; another first for the NDP government in Saskatchewan. There is a senior citizens' package for an expanded home repair program, increased income supplements and an increased Property Improvement Grant for all homeowners, and there is the Saskatchewan Heritage Fund. That's an impressive list, Mr. Speaker — a list that we are proud of. The Blakeney government has proven again that it is strong, that it is competent and that it is responsible and that it is due for re-election, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:**— This is a Budget which I am proud to support and one that I am sure the people of this province will support. The opposition, both Liberals and Conservatives, have stated that they will oppose it and that opposition, Mr. Speaker, will tie a knot around their political necks.

Mr. Speaker, I shall support the main motion and oppose the amendment.

**SOME HON. MEMBERS:** Hear, hear!

### INTRODUCTION OF GUESTS

**MR. R.N. NELSON (Yorkton):**— Mr. Speaker, first of all before I begin my main speech I would like to take a few minutes of my time to introduce a member of Parliament from Yorkton and my colleague there, Lorne Nystrom, at the back of the House.

**HON. MEMBERS:** Hear, hear!

### BUDGET DEBATE CONTINUES

**MR. NELSON:**— I would like to take, Mr. Speaker, as my theme for today, the following: that the reality is so often different from how it appears to be or how things are so different from the way the opposition tries to make them out. For example, Conservative and Liberal statements about the budgets are drastically different from those which anyone else has made about them. Both parties are trying desperately to make things seem somewhat different from what the reality really is. By knocking this Budget these two old groups are trying very, very hard to make themselves seem perfect in the eyes of

the voter but every Saskatchewanian knows that there is nothing in this world that is more perfect than a Conservative or a Liberal who is found in the opposition in a Legislature or Parliament.

Out of government, man it is just amazing what either of those parties would be able to do if only the voters would just vote them into power! But the Saskatchewan voters are just a little bit more sophisticated, Mr. Speaker. The voters here know that when those parties are elected to power, the little imperfections start to creep in. The people of Saskatchewan have had some bitter experience with the Liberals in that way from 1964 to 1971 and they have decided on that score, but the Progressive Conservatives are newer in this House and we need to examine their image that they are trying to put forward.

In Manitoba, for example, during the election there the Progressive Conservatives there said that they would reduce taxes if only the voters would vote them into government and the Manitoba people bit at that lure. They got hooked, Mr. Speaker. They vote out the best government that Manitoba ever had and they brought the worst government in that was possible. Now that the Progressive Conservatives are in power, those little imperfections that I spoke about before are starting to creep in — how those things were made to appear just a little bit different from the reality before. Once they were elected the Progressive Conservative government in Manitoba ran into trouble. Suddenly taxes could not be decreased. In fact, they might just have to be increased. There was a mess, said Sterling Lyon. Agreed — there is a mess. Sterling Lyon was made the premier and that's the mess.

Mr. Lyon said it would take years to straighten the mess out. Yes, I agree — four years, just long enough to get another NDP government elected back into Manitoba. Now that the Progressive Conservatives here in Saskatchewan are in opposition they are trying to gloss over those, oh so slight imperfections that appear any time either of those old parties form a government.

The Conservative Leader, Mr. Collver, was in Yorkton last Friday; he is not here today but he was in Yorkton last Friday trying to make realities seem something other than what they are. I would say from what I heard that he tried very, very hard to make the proverbial sow's ear look like a silk purse. Only the Progressive Conservatives could accept such an illusion.

One of their speakers said that Randy Nelson had told an untruth in the Legislature. They said that Nelson said that a Progressive Conservative government would charge \$10 a day deterrent fees in hospitals. Well, Mr. Speaker, all of us here heard the member for Eston Elrose say that — a front bench member, Mr. Speaker. We saw him rise in this House and we heard him say people in Saskatchewan would pay \$10 a day to get into hospitals. It's strange that everyone here but the Progressive Conservatives heard him say that. It's strange how the Star Phoenix and the Leader Post reported the same statement. And what did Mr. Bailey mean by that statement? We have to examine those statements closely to see what they mean, Mr. Speaker. You also have to look at the performance in Conservative provinces to see what those remarks mean. Let's look at a few of those statements.

Speaking at a Conservative nominating convention in Prince Albert on January 12, 1977, Mr. Collver said, that governments should say, no, to people, to peoples' needs. He said, and I quote: "I am sorry, we can't do it." That is what he said, we can't do it. "Could you arrange to look after yourselves?" he said. What did he mean by that, Mr.

Speaker?

Let's look at another statement that he made in Yorkton last Friday night and echoed by the third-rate choice for agricultural minister in their caucus, for Moosomin, echoed yesterday by that member. He said that the NDP Government has programs, programs, programs, programs. I guess he means that we are wasting money on those programs, Mr. Speaker. I guess he means that those programs should be cut out.

Watch out Saskatchewan! We had better look to see what programs the PCs would cut out. Let's look at what the Conservatives did in mineral rich and industry rich Ontario. How did the PCs there make people in Ontario look after themselves? Why, medicare fees, as we have heard in Ontario now are charged at the rate of \$528 a year for a family. That's making people look after themselves, Mr. Speaker. Ten dollars a day deterrent fees, \$528 a year medicare fees, that's how you look after yourselves, people of Saskatchewan, if you vote Conservative.

That is one way the Conservatives would end this business of a government spending money on programs. You and I would have to spend it while their friends would get off with great tax concessions and tax cuts. Oh, but that is not us, say the PCs. They say that they are concerned about people; they say they are interested in people, but it is obvious, Mr. Speaker, which people the PCs are interested in protecting and helping. It is obvious which people they are concerned about.

The Ontario PC government is collecting \$975 million in corporate income tax. It sounds like a lot, but it is a huge province, but they will take \$1,120 million in medicare premiums, Mr. Speaker. They will take almost half as much again in medicare fees as they take in corporate income tax. That's making the ordinary person look after himself, Mr. Speaker, while the PCs look after their special friends, the resource companies, etc., etc. That shows, Mr. Speaker, which people they are concerned about.

The PCs tell us how much they would do for the senior citizens if only they could be voted into office. But remember senior citizens, you would be the ones who would be paying those exorbitant medicare fees too.

Now, what is another program that is a waste of money? What is another program that could be cut? What is another way that they could make people look after themselves? Why, they could cut that new revenue sharing program for municipalities!

You see, Mr. Speaker, Yorkton got an increase of 59 per cent in unconditional grants through the revenue sharing plan. A 59 per cent increase certainly sounds to me like what Mr. Collver would mean when he said, we waste money on programs. That must be what Mr. Collver meant when he said people could look after themselves, after all the PC government in Ontario left the municipalities there to look after themselves. You see while Yorkton got a 59 per cent increase in grants, the PC government made a 6.5 per cent increase in grants to their municipalities. That is much less than the inflation rate. The increase to Yorkton was nearly 10 times as large as the cities received in the so-called free enterprise, Conservative Ontario. Yet the so-called free enterprisers say that our increase wasn't enough.

What do they want? The whole provincial Budget? They say that we spend too much money but yet they say we don't spend enough money on them and what they want, typical of the so-called free enterprisers.

But what does that 59 per cent increase mean to the taxpayers of Yorkton? Why that's

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an increase of \$194,060. Mr. Speaker, Yorkton's unconditional grants now total \$523,059 and in 1971, the last time there was a so-called free enterprise government in Saskatchewan, Yorkton got the princely sum of \$23,000 in snow removal and police grants.

Mr. Speaker, there is much, much more that I would like to have said and there are many other remarks that I would like to have made on the quality of the Budget put down by our very competent government in Saskatchewan but I see I have run out of time. I must say, though, that I will certainly be supporting the Budget and I shall be opposing the amendment.

**SOME HON. MEMBERS:** Hear, hear!

**HON. N. VICKAR (Minister of Industry and Commerce):**— Mr. Speaker, it is with pleasure and a sense of pride that I rise to participate in this Budget Debate.

This government has always been a people's government. It is no more evident than in the Budget Speech delivered last Tuesday. I join with my colleagues in offering my congratulations to the Minister of Finance for the contents and delivery of his Budget Address.

There is indeed something for all Saskatchewan residents in this Budget — a \$52 million reduction in personal income taxes, a \$4.5 million increase in property improvement grants, a \$4.5 million reduction in automobile premiums, a \$6 million package including tax cuts to assist small business and industry, a \$2 million increase in Saskatchewan Income Plan benefits for senior citizens. Mr. Speaker, this is a responsible thoughtful Budget. Unemployment and inflation are problems that do exist. We haven't buried our heads in the sand hoping that the problems will go away. We have tackled these problems because we face our problems head on and because we have had the foresight to plan for the economic fluctuations which occur in our agricultural-based economy. We can provide benefits for our citizens.

Mr. Speaker, this government is willing to meet its responsibilities. We are prepared to do our part for our province and for our country. Saskatchewan, for example, requires federal policies which will assist us to do the following: to stabilize and diversify our agricultural base; to develop and upgrade our mineral resources; to generate secondary manufacturing to diversify our industrial base; to improve employment opportunities in rural areas and for our native population and to deal with longstanding transportation inequities, not on the basis of user pay but on the basis of a transportation system that will assist us in realizing our developmental potential. Saskatchewan for its part is working with the federal Department of Regional economic Expansion to promote development in this province. A number of the development agreements are now in place and negotiations are under way for additional agreements.

Mr. Speaker, Saskatchewan is prepared to do its part to help recover the economy of Canada. The upgrading of heavy oil and the development of other energy resources in Saskatchewan can provide jobs to reduce national unemployment and energy to help Canada's balance of payment difficulties.

Saskatchewan's steel industry is capable of producing a significant amount of pipe required for the Alcan Pipeline. Moreover the development of Saskatchewan's manufacturing potential in industrial fermentation, agricultural processing, wood

products and other types of resource upgrading and import replacing industries will provide further employment opportunities for Canadians.

The new provincial Budget shows that the government of Saskatchewan is also prepared to cut personal income taxes, increase expenditures on capital projects and stimulate housing to provide job expansion. The government's development objectives are to diversify Saskatchewan's economic base, to increase resource processing within the province and to foster the industrial and commercial development of all sizes of centres in this province.

Mr. Speaker, we have taken a big step towards achieving these objectives. The Saskatchewan economy has turned around during the 70s. Our economic performance since 1971 has indeed been very impressive. Mr. Speaker, the record speaks for itself but we must continue to work towards the economic diversification, balance development and new job creation. We must continue to build on our strengths, our natural resources, our skilled labor force and our managerial expertise and our central location in the West.

Mr. Speaker, the Saskatchewan government has recognized the important large role played in particular by small business people in the development of this province. This province provides small business men and women with an excellent environment. Saskatchewan has no succession duties or gift tax, no corporate capital tax, no provincial amusement tax, the lowest auto insurance in Canada. After the reduction just announced by the Minister of Finance, we have the second lowest rate of corporate income tax in Canada for small businesses. As well the Saskatchewan Department of Industry and Commerce offers a number of services and programs for small business people including one of the most extensive business counselling services in Canada. In addition the government's purchasing policy favors local industry to the extent that it is practical.

For example, the Department of Industry and Commerce has been working on a plan to ensure that furniture used in provincial government offices is manufactured by various Saskatchewan firms. These Saskatchewan firms will be provided with basic designs and prototypes and will be invited to produce furniture made from wood products. Too often in the past, Mr. Speaker, we have seen similar work go to firms in other provinces. The plan could be extended to other products used by this government. Is it little wonder given this favorable climate that small business in both commercial and industrial sectors have thrived in recent years. Nevertheless the provincial government has recognized the need for new incentives to support Saskatchewan businesses. Mr. Speaker, Saskatchewan business people are hard working and resourceful. In communities of all sizes they have provided important services through good times and bad. Firms manufacturing electrical products, clothing, farm implements and a wide range of other products have grown up in Saskatchewan and are helping to build an industrial base and create new jobs. At a time when agricultural business has slowed somewhat and there is additional pressure on the industrial and commercial sectors, I welcome the new initiatives to support the Saskatchewan business community announced a few days ago by the hon. Walter Smishek, Minister of Finance.

Mr. Speaker, five unique, new programs have been included in the 1978-79 Budget which are designed to support the development expansion of Saskatchewan based business. These programs are the Small Business Interest Abatement Program, the Saskatchewan Small Industry Development Program, the Management Development Program, the Product Development Program and the Saskatchewan Main Street

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Development Program. In announcing details of these new programs at this time, I want to make clear this government's intention to co-operate with the Saskatchewan business community to ensure further economic prosperity in this province.

Mr. Speaker, interest rates in recent years have been very high and undoubtedly have discouraged many business people who otherwise might have expanded their existing businesses or who might have established new businesses. The objective of the Interest Abatement Program is to stimulate business activity by reducing the interest burden on small businesses which obtain term financing to establish new operations or to expand or upgrade existing operations. This will be done by paying an interest abatement grant directly to the borrowing business to offset a portion of the actual interest paid on term financing, obtained for the purposes previously mentioned. Thus, the effective rate of interest paid by these businesses will be reduced.

With the exceptions of farm and businesses engaged primarily in the activity of lending money, most small Saskatchewan businesses, with annual gross revenues of under \$500,000 are eligible. Most term loans of \$1,000 or more, which are used to establish a new business, purchase an existing business or purchase fixed assets to expand or upgrade an existing business, will be eligible.

For eligible businesses located in centres with populations in excess of 6,000 people, the program pays a grant sufficient to reduce the effective annual interest rate on the loan by 2 per cent points, up to a maximum rate rebate of \$250 to any one business in any 12 month period, on any one loan over a 36 month period.

For eligible businesses located in centres with a population of less than 6,000, the program pays a grant sufficient to reduce the effective annual interest rate on the loan by 4 percentage points, up to a maximum rebate of \$500 to any one business, in any one year on any one loan over a 36 month period.

The program applies to term loans obtained by eligible businesses after April 1, 1978. Application forms for the Interest Abatement Program will be available at all chartered banks, credit unions, trust companies or similar financial institutions in Saskatchewan. We are receiving excellent co-operation from these institutions with regard to this program.

Mr. Speaker, there are many outstanding examples of Saskatchewan manufacturing and processing firms which have started small and today are successful businesses growing stronger each year. Mr. Speaker, the objective of the Saskatchewan Small Industry Development Program is to encourage and assist the modernization, expansion and establishment of Saskatchewan manufacturing and processing industries. The Department of Industry and Commerce will provide interest free forgivable loans to eligible firms. Loans will be available to incorporated Saskatchewan firms for qualifying projects costing up to \$100,000. For an existing firm to be eligible its average annual sales must be under \$500,000 based upon the two most recent years of operation. The forgivable loans will vary in the amount based upon their location. For Regina and Saskatoon, these firms, the loans will be 25 per cent of the approved cost to a maximum of \$10,000 per project. For firms in locations other than Regina or Saskatoon with a population of more than 6,000 people, the loan will be 30 per cent of the approved cost to a maximum of \$12,000 per project. For firms

in locations of under 6,000 in population, the loan will be 35 per cent of the approved cost to a maximum of 25 per cent per project.

The loans will be dispersed in two stages. Eighty per cent will be paid following commencement of construction or following installation of equipment and the final 20 per cent will be paid following commencement of a commercial production. Provided that the loan recipient has carried on business as planned, half of the loan will be forgiven one year after the final loan disbursement. The second half will be forgiven two years after the final loan disbursement. Applicants must have at least 20 per cent equity in the project.

Mr. Speaker, technical assistance to Saskatchewan manufacturing firms can play a vital role by improving management skills in assisting product development. Management and product development will allow Saskatchewan firms to be more competitive and to expand more quickly. Under the Management Development Program assistance will be available under one of the following four options:

- 1) Hiring of management advisors to identify ways to improve operation of a firm or to help make significant operations corporate decisions the department will provide a maximum grant of \$3,000;
- 2) Direct counselling from the department, when available;
- 3) Various levels of financial assistance, depending on the location, for managers attending approved seminars and courses;
- 4) Participation in seminars organized and underwritten by the Department of Industry and Commerce.

Mr. Speaker, under the Product Development Program, financial assistance will be provided to Saskatchewan manufacturers by Industry and Commerce for the following purposes:

- 1) The development and/or the design of new products;
- 2) Upgrading the quality and design of existing products;
- 3) Prototype or process development; and
- 4) Meeting certain testing requirements.

For these purposes, assistance will be provided up to 50 per cent of the cost to a maximum of \$10,000 of any one project. The department will not assist any firm with more than two projects during any one calendar year.

Mr. Speaker, a number of smaller communities are experiencing difficulty in maintaining a stable economic base. Their downtown cores gradually grow older. Improved transportation systems have shrunk the distance to the nearest large community which probably has a new shopping mall.

The government believes smaller communities, which represent an alternative lifestyle for many people, will continue to play an important role in the economic and social development of Saskatchewan. Many of these communities are agricultural service

centres providing the rural area with vital commercial and social facilities.

The Mainstreet Pilot Project was implemented during the summer of 1977 in four towns; Leader, Carnduff, Saltcoats and Porcupine Plain. The project was evaluated, and has shown to be very successful. Consequently, I am very pleased to announce that the government will proceed with a province-wide Saskatchewan Mainstreet Development Program which will provide funds to businesses in eligible communities and to the town itself, to improve the appearance and viability of Saskatchewan towns.

The Mainstreet Development Program will assist communities with less than 6,000 population. The program will provide consultative services and grants to offset the cost of physical improvements. Merchants can qualify for up to 50 per cent of the cost of storefront renovations to a maximum of \$500. Grants to merchants will be administered by the Department of Industry and Commerce.

Communities can receive per capita grants for improvements to public areas. These grants will be administered by the Department of Municipal Affairs. Despite the remarkable performance of the Saskatchewan economy in recent years, we cannot afford to grow complacent. Inflation, long range energy needs and unemployment are national problems which we in Saskatchewan must do our part to solve.

Mr. Speaker, this new provincial Budget shows that this government is serious about tackling these problems. The reduction of the corporate income tax rate for small business from 12 to 11 per cent will save small business people nearly \$3 million in taxes. The five new programs I have just described will provide a further \$1.4 million in assistance.

Given the incentives in the new provincial Budget the five new programs and the reduction in the corporate income tax rate for small businesses — I am confident that the business community of Saskatchewan will play an even greater role in the future economic development of the province. These programs are an indication of our desire to assist and promote the small business community. My department, Mr. Speaker, is continuously looking for ways and means to help small business and industry prosper in Saskatchewan and I am sure, Mr. Speaker, that the business community will welcome our approach towards a brighter future. Mr. Speaker, with those remarks, you will understand that I will be opposing the amendment and support the motion.

**SOME HON. MEMBERS:** Hear, hear!

**HON. R.H. BAILEY (Rosetown-Elrose):**— Mr. Speaker, I am very pleased to rise at this particular time and to add something to the Budget Debate. I am going to use the words of the minister who has just spoken when he said there was something for all Saskatchewan residents, Mr. Speaker. I hope to show this afternoon that indeed the Budget that is before us has a lot to be desired by many people in Saskatchewan and, Mr. Speaker, at the very beginning I want to single out in particular one industry in this province, a very important industry, an industry that is going to grow in its importance over the years, an industry that by the year 2000 will be even more important, perhaps, than it is today, an industry, of course, which has always been a Saskatchewan problem! And I am referring to the transportation industry in this province. Mr. Speaker, I want to say this: That if the government opposite can persuade the trucking industry in this province that there was anything in this Budget for this very important industry, I would like to hear them in the days ahead come up with some proof.



Mr. Speaker, over the weekend I wanted to point out and I wanted to do some research on this particular topic to be absolutely fair, to be absolutely fair to the private independent trucker operating out of Saskatoon and the private independent trucker operating out of the cities of Alberta. Now we have heard a lot of comparisons, Mr. Speaker, in this House during this Budget Debate and so what I did was phone around and get some costs. Each private trucker then was to purchase a new unit and I found out that there was very little difference in the price of a new unit. Each of them bought a new Kenworth tractor, Mr. Speaker, at a cost of \$50,000. But, Mr. Speaker, the man who buys the tractor in Saskatchewan, of course, pays 5 per cent, so automatically this means that he has \$2,500 more to pay for his equipment than does a trucker operating out of Edmonton. And so I phoned around to see what an average run during a year would be. An average run was around 110,000 miles a year, Mr. Speaker. All companies and all trucks concerned, truck companies which I phoned, indicated that loaded, empty, winter, summer, they average in the neighborhood of five miles to the gallon. That's the same in Alberta as it is in Saskatchewan.

But here we come into a very important and significant expense, which is directly labelled at the trucking industry in Saskatchewan, a deliberate attempt by this government to keep the freight rates hauling fertilizer to the small rural communities, hauling the weed sprays to the small communities at an all time high. Saskatchewan, Mr. Speaker, imposes upon the transport industry, the trucking industry, a tax of 26.5 cents a gallon, which, Mr. Speaker, is the highest of any province in Canada. If you compare that to Alberta of 12 cents a gallon it is little wonder that the goods going out to rural Alberta in the way of fertilizers, weed sprays and what have you get to their destination a lot cheaper than they do in Saskatchewan.

Mr. Speaker, both of these units will use 22,000 gallons of fuel during the year's operation. Now if you take just the difference in the tax alone imposed by the governments we see a difference, Mr. Speaker, of \$3,212 just in that one area alone, which an independent trucker must pay to this government to operate in this province.

I phoned to get the key lock price of fuel in Saskatoon, the very cheapest I could get. The key lock price of fuel in Saskatoon, the cheapest I could get — there is a difference, Mr. Speaker, of 20 cents a gallon. So the overall cost in increased petroleum to bring the transportation to rural Saskatchewan costs a Saskatchewan trucker at the end of a year's run, \$4,400 more in Saskatchewan than in Alberta.

Mr. Speaker, when the minister who just spoke previous to myself said that this was a responsible and a thoughtful government, let him go tell that to the transportation industry in this province. When he said that it was something for all Saskatchewan residents, let him go tell that to the transportation industry in this province.

Mr. Speaker, to my knowledge this is the only government in Canada that does not have a transportation policy, a government which probably puts in a smaller percentage to the building of highways than any government in Canada.

**MR. JOHNSTON:**— That's a lie.

**MR. BAILEY:**— No, it isn't a lie. Deny it all you like. Let's go on in the industry.

At about 90,000 miles, Mr. Speaker, both trucks are going to have to replace all tires. Basically there wasn't much difference in the price between Edmonton and Saskatoon and we are only going to replace the tires on the tractor unit itself. This can be done for a

cost of approximately \$1,800. But again, the Saskatchewan trucker must pay the 5 per cent, which makes it another \$90,000. So I looked also to the cost of licences, registration and insurance and I asked both to give me the licence, the registration, the bond and everything else that goes with it for an 18-wheel unit, licensed at 18,000 pounds. To the surprise, perhaps, of the members opposite there was little if any difference and all it would have amounted to in the cost in both provinces was somewhere in the neighborhood of \$2,700 with something like \$8 difference. So we can say that is a negative amount and we won't count it.

What I am trying to say, Mr. Speaker, is that the private man operating a truck on a run in Saskatchewan bringing goods out to rural Saskatchewan, the difference at the end of 12 months operation is in the range of \$7,000. I have not, Mr. Speaker, taken into account the fact that we have lower weight restrictions in Saskatchewan which brings the profit down of the Saskatchewan operator. Of that \$7,000 difference, Mr. Speaker, there is \$5,802 which goes directly to this government. So, Mr. Speaker, when members opposite stand and read their well-prepared speeches with such clichés as responsible and thoughtful, something for all of Saskatchewan residents, you're going to have a very difficult time taking that to the transportation industry, the trucking industry in this province. Go tell that to the people who must bear the cost of your thoughtlessness in waging a war against private industry in this province. This government ought to be ashamed, ought to be thoroughly ashamed, of the manner in which they are treating the transportation industry in Saskatchewan.

Who pays for this? Who pays for this, Mr. Speaker? The people of Saskatchewan have to pay for it. The farmer who wants a load of chemical fertilizer from the plant he ends up paying for it. The person who has ordered in advance his fertilizer needs for the spring, he is going to pay directly to the truck driver who in turn simply handles the money and turns over to this government \$5,802. Mr. Speaker, that in effect, is just one single truck. So when you talk about a Budget being thoughtful, when you talk about a Budget being responsible, you haven't even begun to touch the needs, particularly of rural Saskatchewan, who depend so much on the transportation of this province.

Mr. Speaker, I want to get into another topic, a topic which I consider to be of great importance. The government continues to announce capital expenditure programs. I am going to suggest to the government the money they are about to spend is going to be spent in the wrong way. I wish there were more ministers here to listen to what I have to say. Let's suppose that you have \$10 million that you are going to spend in one of your pet government capital expenditure programs. The short-term effects are there; I'll admit that. Everyone will admit that. Go ahead and build yourself another mammoth skyscraper, another gigantic office building. No one will deny the fact that it has a short-term effect. It brings labor there, it brings contractors in — many of them come from out of Saskatchewan, by the way — and for a short term you have an input into the economy. What this government opposite forgets is that when you have finished the building you are not just finished. You have to have furniture for the offices, you have to provide the building with heat and lights and, of course, you have to staff them. So, in the long run, your capital expenditure project in this year 1978 could well turn out to be a detriment to the government ten years down the road. Yes, even less than ten years, even within two years.

Let's see how that same amount of money could be spent on the Saskatchewan economy, to not only bring you the short-term effects but to bring long-term effects to the people of Saskatchewan. Mr. Speaker, during the early 1950s most of the schools in Saskatchewan were under construction at that time. It has been approximately 25

years since the major school building program in Saskatchewan took place. All across Saskatchewan at the present time, local government boards such as school unit boards are facing mammoth projects, a great amount of money that they require to bring these buildings back to their original state, particularly in the debt for roofs.

Now the minister of Education, the former Minister of Education, got up in this House and made a big speech about the government grants to roof some schools. I first thought it was good until I found out that nobody could qualify for it. Let's say you took the \$10 million and you went to local governments such as school units and said, look, you are going to have to have a major renovation program, you have roofs that need to be fixed, you have the structural part of the building that needs to be looked at. So you put out the money to the local governments, you employ the same number of people and, therefore, you stimulate the economy just the same way as if you are building a large government office. Overall, the long-term effects are there with you because the local governments don't have to go out and tax the people to draw in this amount of money to bring about the necessary repairs to local government buildings.

I know from experience, Mr. Speaker, that part of my Budget at the present time just in repairs alone, to bring the buildings up to a satisfactory condition amounts to more money, Mr. Speaker, than the 7 and I emphasize 7, than the 7 per cent increase in grant which my jurisdiction received, not 11 per cent, 7 per cent. There is a fundamental difference, Mr. Speaker, between those who believe in the system of free enterprise and those who believe in propagating a strange socialist philosophy upon the people of Saskatchewan. Let's take the money to where it will do the most good and let's take the money to where it will have a long term effect.

Mr. Speaker, I want to mention another topic about government expenditures. I want to suggest to the Minister of Education, and while perhaps I have some sympathy for him this afternoon, I do not have any sympathy, Sir, for some of your planned projects and some of the projects which are going on at the present time. Oh, you'll hear me all right, every word of it.

Mr. Minister, you have, and your Department of Continuing Education has purchased a number of films which I understand are being used at the present time and have not been used in my particular area but they have been used throughout Saskatchewan. And whether they are on loan to the Community Colleges or not, I can't say, perhaps you can answer that question. I'm not too sure as to the source of these films, but I would like to suggest to you, Mr. Speaker, that I am not against such films being shown, providing that somebody else has put up the money, but if you are going to take the taxpayers' dollars of Saskatchewan. Not only to those who perhaps are adhered to that party opposite, but to people who aren't particularly fond of that brand of socialism, and to distribute to Community Colleges such movies as *Who Pays The Profits*, which is an introduction to the multinational corporations, and *Hard Times In The Country* and its multinational and food production.

I wonder what difficult time the Minister would have in being able to go to the people of this province and justify your expenditures in the purchase of these films to spread or propagate your own political doctrine in a very cowardly way. Ah yes, Mr. Speaker, and the final one is multinationals, multinationals and home politics and they have done a film up as a portrait of a multinational and they have put beside their Cargill.

Mr. Speaker, perhaps if you were sole bent in your desire to destroy a system which has brought us where we are today, and that is a system of free enterprise. The free

enterprise system in North America puts food out to people cheaper than any other system in the world and it's always very noticeable, Mr. Speaker, that when you come to the people and you come to this House and you show them their deliberate attack on the private industries such as trucking, how nervous does he get sitting there. They do not like for someone to look into their intrinsic desire. You know you can talk all you like about the support to private business. The minister in charge of SPC when I ask him the question in the House, he said he would guarantee no more than 8 per cent increase in natural gas to private residents, but he would not stand, he would not say that he would guarantee no greater than 8 per cent to private business. He would not make that commitment, he wouldn't make a commitment that he wouldn't increase the price of natural gas more than 8 per cent to the curling rinks, the skating rinks in Saskatchewan. He wouldn't make that commitment that he wouldn't increase it more than that to the institutions, your hospitals and schools in Saskatchewan. Ah, Mr. Speaker, the actions of the governments speak much louder than words.

Mr. Speaker, I want to go on to another concern which is facing us in rural Saskatchewan and indeed in all of Saskatchewan, namely your capital expenditure programs, your grant programs and we will soon have to have a Department of Grants, just to look after the various types of grants. I'm wondering, I'm wondering, Mr. Speaker, if it would not be better for all governments, not only the government of Saskatchewan, but governments across Canada to get away from this type of taxation in which they tax the people heavily on one hand, handle the money for a while, then turn it back to the people in the form of grants. Now I'm not criticizing the grants, everybody has to have grants. Schools have to have grants to operate; hospitals have to have grants to operate. I'm wondering if governments, including this government opposite — and it's a criticism I have of all governments — if we're not getting too much in the way of manipulating people's money for the sake of politics. Surely more and more people, more and more people, Mr. Minister, are viewing the grant structure as such. If you examine them across Canada, you can find some cases for the dollar that goes out in grants it has cost \$1 to administer it. Right in this province we proved in this House, as I proved during the last session, during Committee of the Whole that one department, it cost them 50 cents to administer every dollar in grants, right with this government. So you see, Mr. Speaker, I think that politicians in general are not placing enough trust in the intelligence of the people opposite. You can take from one pocket and you can give to the other but in the transaction there's a few big crisp bills missing. The people are beginning to doubt that a great deal.

Mr. Speaker, it goes without saying that I will not be supporting this Budget. I would hope, Mr. Speaker, that the Minister of Revenue, the Minister for Municipal Affairs and the Minister of Highways, would take a good look at . . . . (Interjection . . . — What about me?) I only mention one industry, that you are really taking to task to the tune of \$5,800 a year in direct taxes to that one single trucking firm. Yet you people . . . for every truck rather, not an individual firm, an individual truck . . . Yet you people will do nothing about the highest tax rate on that trucking industry of any province in Canada, in a province which needs transportation perhaps more than any province in Canada, you saw fit to burden the people in this province with the highest taxation in that area bar none, of any province in Canada. This government should be thoroughly ashamed of that.

**MR. W.H. STODALKA (Maple Creek):**— Mr. Speaker, I appreciate the opportunity to speak in the Budget Debate and I wish the Minister of Highways (Mr. Kramer) were here. I would like to thank him on behalf of the southwestern portion of the province for negotiating with the people in Ottawa and as a result will have the road to Fort Walsh

upgraded during the next year. I am not quite sure yet to the extent that the work will be carried out, or exactly what they mean by upgrading, but certainly the rural municipality in that area who have been absorbing the costs of upkeep during the last few years will appreciate the fact that the road is being taken over and will be upgraded. I am sure also that the tourists who are visiting southwestern Saskatchewan during the next year will appreciate it as well.

Yesterday as I was travelling back to Regina I had the opportunity to listen to three speakers opposite on the radio. I was really quite amazed. I was just wondering why they hadn't compared their speeches before they began because there was almost an identical recitation I guess you might say, of all of the so-called promises that came out of the Budget Speech. Each one of them proceeded to itemize the same various tax cuts here, tax cut there, went through the list, itemized one by one. They made no mention of course of any of the increases. In fact the whole tone of the Budget has really amazed me when you take and read it. When they have a tax increase, say for instance in power, they said there will be no increase in power this year. If I remember correctly when I got my telephone bill in January there was an increase of about 17 or 18 per cent. The increase had already taken place and so, therefore, the rest of the year there will be no tax increase. Then the way in which the tax increase for Sask Tel was justified — they used the word 'only', there will be only an increase of 8 per cent for Sask Tel.

Then you take a look at the next Crown corporation, or the section for natural gas — indicated there will be only 8 per cent increase. All increases, of course, being justified by using that term 'only'. We began to wonder then when we have these increases of say 8 per cent exactly what that means to people who are negotiating with the government. When the offers are on the table there, I understand that they don't approach more than the 6 per cent level. But when we have increases by government, 8 per cent seems to be justified.

I think it was the member for Meadow Lake (Mr. McNeill) who indicated that they were going to be building a new hospital in his area. He proceeded to say that of course medical care in Saskatchewan was being improved by the building of many new hospitals. I just began to wonder, is it the building of hospitals that improves medical care or is it possibly the number of beds? We have a hospital down in our area that was built for 44 beds. We have an occupancy ratio now of 19 point some beds that we have recognized under the ADC formula. It's not the number of hospitals that we have; certainly the number of beds would be much more relevant than the number of hospitals. In our area we also, as I know in other areas of Saskatchewan, were very disappointed with the Budget, the announcement, or no announcement that there would be any recognition for Level IV care within the hospitals of the districts in which the people reside. We in our southwest still have to take our people to Swift Current when we have ample room right within our own hospitals to take care of them.

I realize that with some of the rules and regulations that are set for Level IV care now, we may not have all the necessary equipment in the hospitals but I would also like to indicate that possibly some of the requirements that are listed for Level IV could be revised. With a revised rate it would certainly be much better if we could keep these people home, in the hospital, in the area in which they have been living all their lives.

You heard the member for Shaunavon yesterday indicate also the same problem that he has in his area and we certainly would like the government, in future, to consider the establishment of Level IV services within the communities that have space in their own hospitals. In other words, we would like our Level IV people to be able to stay in our

hospitals.

I know the Minister of Health argues that the cost is prohibitive but then on the other hand, he is putting additional beds for Level IV care in other places. Once the capital cost is there, and you're going to have the operating costs. I just cannot see the reason why this can't be established.

I recognized that in your Budget it says that there would be some increased benefits but I don't think you've ever indicated that we were going to be able to keep our Level IV people. In fact, I recently read a letter that came from your office, dated this month, which indicated the fact that the hospital boards could take some of their beds that they're presently using under acute care and transfer them over to Level IV care. Certainly that is a very unsatisfactory situation. The minister must realize that if you're going to remove beds from the acute patients, then, of course, you're going to be reducing medical care services in the area and certainly the hospital services.

I also listened to the member for Regina Rosemont with certainly the very, I might say, discouraging story he had with regard to the person who was laid off after 35 years of service with the Canadian Pacific Railway. As I listened to him, I began to think of what was happening in the area, and about the young fellow who came to see me, not more than a couple of weeks ago. He used to work at the Ingebright Sodium Sulphate Mine at Fox Valley. We might also remember what happened last fall here — I believe it was in the — or last spring at Bishopric. Here we have a sodium sulphate mine, a Crown corporation, owned and operated by the province of Saskatchewan, which employed 20 some people and what did they do? They closed the mine. What happened to 20 some people that were working? Some were offered transfers. Certainly Sask Minerals knew that some of these people, because of their situation within the community, couldn't accept these transfers. Here we have, Bishopric closed down. Now what happened at Ingebright located near Fox Valley with a staff of 70 some people? You laid off 17. These people are walking now, in the streets of Maple Creek and Fox Valley and Golden Prairie; they're young people without jobs. They're just as destitute as your CPR worker. Who is responsible for this? Certainly it's the government of Saskatchewan. They tell me stories about last year at the plant — they put in an evaporator that cost some \$40,000; this year they took the cutting torches and cut the evaporator out. They can't understand management that seems to be wasting money. They would like to have some justifiable reason for their dismissal. They feel that the government certainly has not taken them into consideration. We hear a lot about INCO and what INCO did in Ontario. I certainly don't condone what INCO did in Ontario but you shouldn't be throwing rocks if you live in a glass house.

You've been doing the same things in your sodium sulphate mines. Just take a look at Ingebright. Take a look at Fox Valley. I can assure the members opposite that there aren't that many jobs in that area.

These people have one alternative. They've got to leave the area. They're either going to have to go into the cities of Alberta or come into some of the cities of Saskatchewan hoping that they can find work. These aren't all single people. These are married people, young married people with families, just turned out on the street. They got a notice, and wham — they were finished.

The Minister of Mineral Resources and his \$5 for senior citizens! I noticed that it indicated in the Budget that the program started in 1975 and the payment of that was \$20. Now, three years later, what's he giving them? He's giving them another \$5, five bucks, Minister of Agriculture, but what's he taking on the other side?

I just talked to an older fellow who had a power bill last year that was 30 some dollars and went to 40 some dollars per month. Already he ate up more than the five per cent or the \$5 that the minister gave him. My goodness! Five dollars! The amount is really so low that it's almost insignificant for these people. Then, what really bothered me is that when you take a look and the Budget indicates that all senior citizens that are single and are eligible, if they receive payments from the Old Age Security Plan, the Guaranteed Income Supplement Plan or the Salary Income Plan, the first two being operated by the federal government, they receive \$3,433 a year. This is what the Budget states. They don't make any mention of the fact that of the \$3,433 per year \$300 comes from the province and the rest of it comes from the federal government. If I remember correctly, the federal government's programs both the Old Age Security plan and the Guaranteed Income Supplement plan have the COLA clause built right into the plan, the cost of living clause. Every three months there is a revision, as the cost of living goes up so goes the benefits to the plan. What do we get here? Five bucks and we wait three years to get it. Five dollars in three years. Then we are concerned about people, we are concerned about the old senior citizens — particularly the Minister of Education with his sanctimonious sort of holier than thou approach his, in that speech and voice as it came across the air waves in Saskatchewan. I just couldn't understand how a man could really ridicule and poke fun at other levels of government and other governments within this province when the record of this government is such that they give five bucks over three years to senior citizens in this province of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STODALKA:**— We have also heard in the Budget some of the increases that have been allotted for education. Most of the school boards in the province of Saskatchewan haven't had time to complete their budgets and will be doing so but I can tell the Minister of Education right now what has happened in one of the school units in our area and he can take a look at the Leader School Unit. I am sure the minister has received representations from the people who are living in that Leader School Unit.

Last year the Leader School Unit employed 80 teachers, a staff of 80 teachers. This year they have indicated to towns within their community that they are going to have to do some staff cutting. They simply indicate that the funds are no longer there to carry the staff that they had in the past years. They have gone to all of the villages and the towns within the school unit and have indicated to each of them what their staff cut was going to be. I would just like to inform the members opposite that they are indicating that they are going to be cutting 10.5 teachers out of a staff of 80; 10.5 teachers out of a staff of 80, that is the cut that the Leader School Unit has taken to its people. They have given the reason. The reason they have given to these people in the Leader School Unit is certainly a lack of funds. They cannot support — agreed the enrolment is full — what has been the effect of this cut of 10.5 teachers?

Take the town of Mendham; they have been told that they shall no longer have a high school, their high school is going to be closed. The village of Prelate has been told that next year its high school will be closed. Lack of funds, it can't operate. These are the things. They have gone to each of the schools and I have a great deal of sympathy with the school unit board that had to make these cuts. The funds weren't there and they had to make some very, very difficult decisions and I can assure you that because of the lack of funds they are the ones what have to go out; they are the ones that have to face the public; they are the ones who receive the animosity of the public when the amount of tax is not as substantial as it should be.

Again today, we had some questions for the Minister of Education, and it is too bad that he is not here. We had a little rally around here by the students from the university. Just to review some of the facts about university tuitions here in Regina and a similar pattern in Saskatoon, why are they here? I would just ask the members opposite to compare the university tuition fees in the colleges in Manitoba, compare the university fees and the colleges over in Alberta and average them out and see what they are. I will assure you that if you do this you will find that these students are paying \$114, approximately \$114 more per student.

Now what effect is this going to have, \$114 more? Most of our universities now would like to keep their enrolment up. If you were a young person in Saskatchewan who had an opportunity or wished to go on to university and you were having one of the problems of being short of funds, where would you decide to go next year? Would you stay in a university in Saskatchewan, one in which you have the luxury of paying \$114 more or would you decide to seek an institution elsewhere? Most other costs of living would probably be identical and certainly I think you can see these university students have a grievance with the government because of the fact that they are not giving enough financial aid to the universities.

The minister says grants went up 10 per cent but 10 per cent of what? This is the question, 10 per cent of what? It is easy to say grants went up 10 per cent but clearly it is not sufficient. You can't say that the Board of Governors at the university are mismanaging. If we have to charge over \$100 more than they are charging in the neighboring provinces there must be something wrong. There must be a shortage of funds. Why don't we do it? I don't know whether you are aware that if we abolished tuition fees in the province of Saskatchewan entirely, if you abolish the tuition fees entirely, Mr. Member for Rosemont, it would cost about \$10 million. Do you know how much your support for education has fallen in the last number of years? You have fallen by 3 per cent, about 3 per cent of the total budget of this province. If you want to put that in the level of the terms of the total budget then and the total Budget now that is about \$54 million less. If we had to retain the same percentage of funding for education that we did in '71, there would be \$54 million more available for education than there is now. What did you do with this \$54 million? As I indicated earlier the total cost in 1976 of all university tuition fees was \$10 million.

There is another area in which I personally can't justify and would like the minister to probably comment on and that is the difference in fee structure between the technical institutes and the universities. If you enrol in a technical institute, the one in Moose Jaw, or in Regina or Saskatoon, the sessional fee is approximately \$138 per semester. If you double \$138 per semester that's about \$276. So we have the technical school students paying \$276 per year in situations in which the enrolment of the classes are not 150 as they are in some of the university classes; in which you certainly have a lower per pupil/teacher ratio in the undergraduate classes, a situation in which you don't have near the cost of some of the equipment that has to be in these facilities, then why are they paying \$276 and yet the students of the university are expected to pay \$570 plus last year. I understand this to be a 9.5 per cent increase placed on top of that. Why? These are things that certainly there seems to be some level of discrimination as to why one student, one post secondary student received a much greater support than does the other one.

Mr. Speaker, there are other things that we could say about education and certainly we are going to reserve them until such time as we have the Estimates in the Department of



Education.

In conclusion I again would like to mention, I think you can see from my comments I will not be supporting the motion to adopt the Budget but will be supporting the amendment.

**SOME HON. MEMBERS:** Hear, hear!

**MR. J.R. KOWALCHUK (Melville):**— Mr. Speaker, like all members on this side of the House, it is a proud moment for me to be able to rise in this Budget Debate in support of the budgetary proposals, which by the admission of many members even from the opposite side, are good, are positive and popular. One would think it is an election year.

Mr. Speaker, my colleague the Minister of Finance is to be commended for this Budget. It is a responsible document, and reflects without doubt the confidence we share in terms of the economic growth and stability of this province. I have listened to numerous budget debates made in this House, budget speeches, through my four years in opposition and my seven years on the government side, but never, Mr. Speaker, I say ‘never’ have I witnessed such a weak, listless and totally inadequate examination of a budget as that performed by the Budget critics, both Liberal and Conservative. But, Mr. Speaker, that didn’t surprise me, nor did it surprise any member on this side of the House, and I am certain that it didn’t surprise the press nor will it surprise the people Saskatchewan. Because, Mr. Speaker, it was a top-notch Budget, bold, forward-looking, imaginative, progressive and practical steps taken by the Finance Minister — if indeed..let me repeat if expected by these opposition critics it nevertheless caught them flat-footed and so disoriented that they were left stuttering and reaching for words. And why not, Mr. Speaker? They never dreamed that a Budget could be or would be produced so bold in scope and so fitting for the times.

If you, Mr. Speaker, or any Saskatchewan citizen watched the TV performance of these so-called critics, Liberal and Conservative, on the late night news on March 7, you wouldn’t have had to have the sound volume turned on at all to recognize the floundering performance. These critics were merely talking, they really had nothing to say and that what they said carried no force or conviction.

**SOME HON. MEMBERS:** Hear, hear!

**MR. KOWALCHUK:**— The expression on their faces told all, Mr. Speaker, particularly the Conservative critic. As already mentioned today, the newly recycled member for Thunder Creek, who looked like he had a job to do that was most distasteful. From the dazed expression on his face, Mr. Speaker, he looked as if he had been poleaxed, as indeed he had been by this NDP Budget.

**SOME HON. MEMBERS:** Hear, hear!

**MR. KOWALCHUK:**— The Liberal critic for Saskatoon Eastview (Mr. Penner) at least had the good sense to admit what even the most obvious could see, the strong points of the Budget.

Mr. Speaker, it is more than a bit interesting that Saskatchewan should move ahead with cautious optimism at a time other provincial governments are cutting back from this program, slashing that budget, restraining that expenditure and raising that tax. It makes me proud to be associated with a government which has the foresight and determination to disregard this cloak of despair and frustration and meet the

challenges of the day with positive action.

Mr. Speaker, right across Canada we have the same story. The federal Liberal government through its inaction and arrogance, has admitted it doesn't have the answers to inflation; has admitted (and it can't help but admit) to record unemployment, and to many other obvious ills plaguing this nation. In the Maritimes we keep hearing about the frustration they face. In good old Conservative Ontario all we hear about is an incredible 37 per cent jump in health premiums. There were tax cuts for the multinationals like INCO but for the common people elimination of the sales tax on storm windows, Mr. Speaker. Those of us who were here and remember Thatcher's Liberal budget of 1968 when some 1,100 new and increased taxes were imposed, the tax cuts were dramatic, Mr. Speaker, if you recall. Taxes were taken off buggy whips and turkey saddles in that budget, Mr. Speaker.

Conservative Ontario who in last week's budget burdened the Ontario sick with an astounding increase in medicare premiums of \$528 per family of three, took off the burden of taxes for the common man in the purchase of storm windows. How reminiscent of the Saskatchewan turkey saddles of 1968.

In good old Conservative Manitoba residents are finding out very quickly what it means to be living under a policy of protracted economic restraint, much to their sorrow.

Even in the mecca of Tory Alberta things are not so rosy with rising mill rates and reduced educational budgets. And from across the mountains, British Columbia residents continue to pay the price of having a so-called free enterprise government which does not have the fortitude to bring forward the kind of policies and programs necessary to revitalize a sluggish and despondent economy.

Mr. Speaker, I challenge anyone, including members opposite, to go before the public and condemn these budgetary proposals contained in this Budget. Mr. Speaker, this Budget really poses a dilemma for opposition members. They know they have to find fault somewhere, but they can't seem to get a handle on what to say, what area to attack, what part to ridicule.

As I have already indicated, the member for Thunder Creek's analysis of the Budget was disjointed and illogical, if you want to call it that. Mr. Speaker, it is no wonder that the Conservative Party is having a difficult time improving their credibility when they consistently show their ineptitude when it comes to matters of finance. Of course it is not necessary for me to lecture the Leader of the Conservative Party about finance; his record is there for all to see, Mr. Speaker.

Mr. Speaker, a fundamental principle underlines the general approach followed in this Budget. At a time when everyone says, "Hold the line", "Tighten the purse strings", "Cutback" and so forth, this government sidestepped this approach in favor of policies and programs geared towards stimulation of the economy. Yes, but that means deficit financing, says the Liberals and the Conservatives. Of course it means deficit financing, Mr. Speaker, and so it should be.

Mr. Speaker, we have heard opposition speakers, Conservatives and Liberals saying that they disapprove of deficit financing. The member for Moosomin said in debate yesterday, "We (the Conservatives) disapprove of deficit financing." Typical Conservative disregard for people, particularly people who are vulnerable to the perplexing

economic disparities and inefficiencies that affect them — the unemployed, those on fixed incomes, the aged, the young and so on. Typical right wing solutions, Mr. Speaker, do nothing; apply in strict rigidity the principles of the so-called free enterprise system. They say the free market place, fully backed by these Conservatives, will take care of all these ills. What a charade, Mr. Speaker! What a hope for our humanity of the province and of the country. The Conservative record of free enterprise in the free market place in all our western history has repeatedly proven that all it was capable of doing in an economic crisis such as we in the western world are now experiencing, was bringing stagnation, depression, hunger and starvation. And yet today we have once again the free enterprise Liberals and particularly the Conservatives once again attempting to foist on the unsuspecting people the same old arguments that somehow the free market place will solve the economic problems facing the country today. I repeat, Mr. Speaker, what a hope!

If ever there is a need for deficit financing by governments, it is now. Not like the Conservative province who deficit finance in good times, Ontario is a good example, they deficit financed all the way through and then not having an alternative have to continue deficit financing in difficult times. Mr. Speaker, many Saskatchewan industries, many Saskatchewan professional and trades people would still be here in Saskatchewan today adding to its economic strength and many of our urban and rural communities would be stronger and more viable today, if in the late '60s and early '70s the Thatcher government would have been less concerned about a balanced budget. Yet, Mr. Speaker, yes, Mr. Speaker, there are times to save and there are times to spend and create a deficit and Saskatchewan has shown how and when this should be done. Mr. Speaker, how was this possible? How was it possible for any provincial government in this day and age to drop personal income taxes, increase homeowners grants, drop the corporate income tax for small business, generate 5,800 new jobs, reduce auto premiums, improve grants to senior citizens, pump more money into municipal governments, health, agricultural and education? How was this possible? Mr. Speaker, six or seven years ago we couldn't have done it. If the Liberals were still in power it wouldn't have been done and it wouldn't have been possible to be done. If Conservatives had been sitting in these benches it wouldn't have happened. Then we ask why this New Democratic government was able to do it? Mr. Speaker, the answer is found in two different areas. One, our policy respecting resource development and secondly, our rejection of the free enterprise policy that to get the economy rolling give all the breaks, all the incentive all the initiative to the private sector especially to the big boys. With regard to resource revenue, Mr. Speaker, when we formed the government in 1971 total resource revenues coming into the coffers of this province as we well know were less than \$33 million. This year these same revenues will increase to \$462 million or more. Mr. Speaker, this is money that would not have been available today had it not been for our resource taxation policies, policies which members opposite so vehemently opposed and are still opposing.

Mr. Speaker, if this government had not had the determination to ensure that we got a better deal from resource development, we too would be faced with record unemployment, spiralling property taxes, hospital cutbacks, 37 per cent health premium increases and ruthless program cuts.

Members opposite do not like to talk about it, Mr. Speaker, but the facts are before us. This Budget reflects our New Democratic Party commitment, it shows what is possible and it totally deflates the arguments of members opposite who say that we should never have become involved in the development of resources. Mr. Speaker, there is no doubt in my mind at all, that time will prove that the New Democratic Party was once again

correct on the issue of resource development as we are doing. Mr. Speaker, whenever the Canadian economy is discussed, two fundamental problems keep rearing their ugly heads, inflation and unemployment. And the Budget addresses itself to these same problems. We in Saskatchewan are fortunate. We have more people working today than at any other time in our history. We continue to have one of the lowest unemployment rates in Canada, and yes I heard just last night on the news that we are equal to the unemployment rate of Alberta, rich oil Alberta; we are moving forward. This Budget will, when its full effect is reached, create an additional 5,800 jobs for Saskatchewan people. Mr. Speaker, that is an objective to be proud of.

Inflation continues to rear its ugly head. Our across the board tax cuts to all Saskatchewan people will help dramatically in our effort to stimulate economic activity and retail trade. This \$34 million back into the pockets of Saskatchewan taxpayers will indeed have a positive impact. Mr. Speaker, this Budget's attention to local government and property taxes is equally gratifying. By increasing property improvement grants, the new revenue sharing program, increased foundation grants to school board by over \$20 million and so on and on. Mr. Speaker, throughout the whole Budget the message is the same. It can be done. Governments can fight inflation. They do have the capability to counteract the pressures which inflation inflicts and all it takes is commitment.

Look what we have done for senior citizens, Mr. Speaker. Increased pension supplements, \$3 million more for the senior citizens home repair program, and significant increases in grants to residents of special care homes. Mr. Speaker, something really to be proud of. The same can be said for our farmers. Even though yesterday the opposition tried to impugn that really nothing has been done. Agriculture has in the past and will in the future continue to play a vitally important role in the economic and social development of this province. I might add that this will continue to be the case despite Otto Lang, and maybe that problem will be resolved come next federal election. Mr. Speaker, the farmers today are facing a tough and a rough time. The record incomes of the last few years are but a dim memory. Grain and cattle prices are dangerously low. There is a degree of despondency in some quarters, yet as is the case with our farmers, they know that tomorrow is another day and tomorrow hopefully will bring better news. The government recognizes that farming today is a big job. It takes a lot of commitment. It takes a lot of money. Since assuming office in 1971 we have done whatever possible to improve the stability within Saskatchewan agriculture. We have brought forward policies and programs directly aimed at this important segment of the population; programs that have repeatedly been said, such as Land Bank, Farm Start, plus a host of others. These have all shared one common ingredient to improve the agricultural economy, keep our family farms viable, Mr. Speaker.

Mr. Speaker, no provincial government can do it all. It is a collective responsibility. I sincerely hope that when Trudeau's travelling road show gets back to Ottawa, they remember what they heard when they were here. The Prime Minister said it was important for them to come out west. Mr. Speaker, that is right but it is more important for them to do something positive for a change. I shudder to think what will happen to the agricultural commitment, in particular, if we elect two more members from Regina Wascana and Regina South.

Now, Mr. Speaker, this Budget again offers much needed assistance to agricultural Saskatchewan. Over \$4 million in new programs will be provided. Money spent on marketing and processing will be increased to close to \$.5 million. Money spent on improving grazing lands will be increased by over 50 per cent and funds for research

will be increased by \$1.3 million. In addition to this, livestock programs will receive an increase of more than \$8 million.

I realize that I have not spent too much time detailing the many budgetary proposals contained in this Budget. However, I feel that it is important to review them in the general context. I again submit to this Assembly that this Budget would not have been possible without a New Democratic government, Mr. Speaker. This is not to be construed as a boastful statement but rather, as one based on record. If the people of Saskatchewan and the people of Melville constituency and other constituencies think for a moment that members opposite are capable of the same type of approach, they are wrong. Members opposite voted against our resource management policies. They dug their heels in and fought bitterly when we brought in legislation to protect our rightful position on oil royalty. They have gone out of their way to dismiss some of our social programs as frills and they have collectively joined in a chorus to tell us to stop spending. They say we should exercise restraint. What they are really saying is, on the one hand that we should spend more and on the other hand, that we shouldn't increase Property Improvement Grants; that we shouldn't give municipalities and school boards more assistance; that we should hold the line with pension benefits to senior citizens; we should let farmers fend for themselves as free enterprisers. Mr. Speaker, that is their position, Conservatives and Liberals. Make no mistake about it and I think the people of Saskatchewan will and do recognize that fact, Mr. Speaker, because I do not believe in such a narrow way of thinking; because I have confidence in this province and in its people, it is a great privilege to offer my full and active support to this Budget and my unqualified opposition to the amendment as was proposed.

**HON. W.A. ROBBINS (Minister of Revenue):**— Mr. Speaker, I am pleased to participate in the Budget Debate. I congratulate my colleague, the Minister of Finance, for his presentation and the content of the Budget which was ably delivered on March 7 last.

Mr. Speaker, I listened with interest to the contributions, if they can be termed as such, from the hon. member for Thunder Creek, the Progressive Conservative financial critic (Mr. Thatcher). He sounded and he looked exactly like the Liberal financial critic in the Budget Debate one year ago. Mr. Speaker, in case the crowded galleries and the people in the House come to the conclusion that that's strange, I would like to remind them that he was the Liberal financial critic one year ago. I did find one fact in his rather long and tedious exposition. He did admit that the federal authority in this country has followed a policy of constant deficit budgeting for some 20 years or more. He wanted the provincial Budget balanced, a fact, Mr. Speaker, which has occurred in 18 of the last 21 Budgets in this province.

Mr. Speaker, to ensure that budgetary surpluses would be arrived at and a budgetary surplus would occur, he wanted reductions in gasoline taxes and sales taxes and income taxes and every tax you could imagine. Trying to find any economic logic in the Progressive Conservative financial critic's remarks, Mr. Speaker, is about as fruitful as attempting to nail a blob of jelly to the wall. The Liberal financial critic this year, the one this year not last year, criticized the New Democratic government for alleged failure to deal effectively with inflation. How realistic or valid is the hon. member's criticism, Mr. Speaker? Anyone who has any training in economics knows that the Keynesian theory, simplistically stated, ensures that governmental authorities run surpluses in prosperous times and deficits in difficult times. That is a logical approach to stimulate the required economic activity when there is a downturn in the economy.

The failure to do that, Mr. Speaker, clearly accentuates the cycles and the economic

difficulties which ensue. In the fiscal years ending March 31, 1957, right through to the fiscal year ending March 31, 1977, the last fiscal end, 21 in total, there were 18 surpluses in Saskatchewan totalling \$198 million in round figures and there were three deficits totalling \$28 million. I would remind the members opposite that that deficit of \$22 that occurred a year ago would not have occurred had this government not paid out \$31.5 million to the beef producers of this province. Now if they oppose to the payment of that sum of money to the beef producers you are obviously in trouble, then they have some validity in their argument with respect to the deficit that was incurred.

Administrations headed by Tommy Douglas, Woodrow Lloyd, yes, Ross Thatcher and Allan Blakeney, all have showed good sound physical responsibility during their periods of office. During the same period from 1957 to 1977 inclusive, the federal government in this country produced 18 deficits and 3 surpluses for an accumulative deficit totalling almost \$30 billion.

Mr. Speaker, when a government expends in excess of its revenue flows, it creates some inflationary pressures in the market-place. That's a foregone conclusion. Every truck, every tractor, every combine, every automobile, every TV set and a vast majority of all other manufactured goods purchased by Saskatchewan residents flow over our borders from central Canada or from overseas markets.

There is, Mr. Speaker, simply no way any Saskatchewan government could protect its citizens adequately against those inflationary pressures created by the lack of good fiscal responsibility at the federal level which has occurred for the last 21 years. And, Mr. Speaker, that situation has not occurred merely as a result of the actions of the present Trudeau administration. The responsibility for that trend must also be shared by the Pearson and yes, the Diefenbaker administrations during their periods in office.

One can, Mr. Speaker, be classified as an optimist or a pessimist and it is said that an optimist is as often wrong as the pessimist, but he's happier during the process.

Mr. Speaker, I do not have any burning desire to be classified in either of those camps. I want to assure this House that I am cautiously optimistic about Saskatchewan's economic prospects for the remainder of the decade and on into the 1980s. What I really want to be classified as is a realist and I think that's important for every member of this House to feel that he is classified in that category. The major responsibility and effort of any governmental authority should be funnelled toward attaining sustainable economic growth. Slower economic growth has severe implications — one of which is the impact on gainful employment. Failure to provide reasonable expectation of gainful employment will inevitably, Mr. Speaker, mean a return to the out migration patterns which we, in this province, experienced with such devastating effect in the late 1960s and the earlier portion of the current decade under a Liberal government in this province.

Mr. Speaker, statistical analysis of economic indicators is a primary prerequisite of good economic management. One must not only know why one is going in a specified direction but how to get there effectively and utilizing the available economic tools. Saskatchewan personal income in 1970 was \$2.1 billion. Last year it was \$6.4 billion. It has more than tripled in seven years, an increase of 300 per cent. No one can effectively or honestly argue that that is not well above the inflationary rate. Construction expenditures have risen from \$475.6 million in 1970 to \$1.5 billion in

1977, again, more than three times in dollar value. Private and public investment have risen from \$864 million in 1970 to \$2.8 billion in 1977, again, Mr. Speaker, more than a three-fold increase. The net value of commodity production from 1970 to 1977 has risen from \$1.4 billion to \$3.8 billion. Now that is a bit less than the three-fold increase but that occurred after a significant downturn in the agricultural economy in this province, related not to production failure but to price failure there was a significant decline of \$438 million in that particular year. I want to stress, Mr. Speaker, that that downturn did not occur because of production failure, it occurred because of price failure. We rarely ever suffer production failure.

Opposition members, Mr. Speaker, are well aware that the government of this province cannot control price levels in international markets. In 1976 in this province we had the largest crop in our history and of the best quality in our history, yet farm income that year on a net basis dropped from \$1,471,000,000 in the preceding year down to \$1,148,000,000, a drop of \$323 million. An additional drop occurred in terms of net farm income between 1976 and 1977. Our estimate is that the net farm income was down to \$905 million at the end of 1977. Although the final statistics aren't as yet in, it will likely be very close to that particular figure. That again represents a further decline of \$243 million. Members of this House should adequately be aware of the fact that when farm income, dropping not because of production failure but because of price failure within a two year cycle is dropped to about 50 to 60 per cent of its volume in the preceding two years, that creates problems in relation to the financial position within this province because, of course, agriculture is a basic industry. We anticipate farm cash receipts will exhibit some improvement in 1978. Nevertheless it's likely that the net farm income will again decline in the current year, simply because of rising input costs which cannot be controlled within the province. Most of those costs are imported. Realized net farm income may well show a further decline in the current year. However, Mr. Speaker, before anyone adopts too gloomy an attitude with respect to those statistical facts they should look at the fact that the realized net farm income in the year 1970, the last year we had a Liberal government in this province, was \$222 million. That would be about one-quarter of the realized net farm income in this province in the current year and would be approximately one-seventh of the 1975 net realized farm income, the best year ever experienced in our agricultural history.

Mr. Speaker, the agricultural community, indeed the entire Saskatchewan economic community, has some stabilizing factors in co-operative and credit union movements. The Wheat Pool has distributed in excess of \$120 million in patronage refunds since 1973 within this province. I doubt very much if most of the members of this Assembly were simply aware of that fact. The Federated Co-operatives have a consumer retailing system and have added millions more to the purchasing capability of Saskatchewan communities. Credit unions are approaching handling 50 per cent of the banking business and supply hundreds of millions of dollars per year of reasoned home based credit for the commercial life of our communities. Assets of the credit union movement in the province now exceed \$1,750,000,000. Currently, Mr. Speaker, agriculture, our basic industry, as I have previously indicated, is suffering some cyclical downturn not because of production failure but because of price failure. That fact, in turn, affects the construction industry, another major factor within the provincial economy. Yet construction remains relatively buoyant. One might well ask the question, why? The fact, and I hope the opposition members are alerted to this, is simply because the governmental authorities of the province of Saskatchewan have exhibited sufficient good economic sense to advance public projects from the drawing boards to construction projects as the impact of cyclical agricultural downturn occurs. That is a fact of life. What has made it possible for the government to take this

approach?

Mr. Speaker, two reasons predominate. Resource development when measured in value of production has had a four-fold increase in the last seven years and the indicators point to a continuation of that trend. In addition, Mr. Speaker, despite severe criticism, the central government authority in this province has had the economic good sense to increase revenue flows from resources, not three-fold in line with the general increase of the provincial produce but a fourteen-fold increase in seven years, from \$33,000,000 to \$462,000,000 — an increase of more than 1,400 per cent. It has been that base which has permitted a fiscally responsible stance to be maintained in the budgetary process in this province even in difficult inflationary times.

Realistically, we should acknowledge the evident national and international economic storm clouds. They are there and to ignore them will not prompt them to go away. The key point is for us to realize that a getting, grasping economic philosophy in our world of the '70s is a recipe for economic botulism and that in fact means economic demise and death. What is needed is a caring and a sharing economic order. The opposition may well reply that that is an idealistic interpretation of economic need. In my view, Mr. Speaker, they are wrong. Bluntly put, it is a brutal necessity which can no longer be ignored.

In early Biblical history a group designated as Christians set up a society in which they shared and made the requirements of life available to the inhabitants of their community on the basis of need. Now you may argue that that was a naive approach. Orthodox theologians felt that while the experiment was laudable, it was a mistake. I doubt if it was a mistake. I think we have been committing economic errors ever since by failing to adopt at least that central approach. We, in fact, make the mistake, Mr. Speaker, of permitting what we term enlightened self-interest, which in reality is imply another word for selfishness to operate our social system.

Production, it is becoming increasingly and more readily apparent and is only satisfactory if it can be satisfactorily distributed. Practically speaking, we must seek out that sharing economic order in which co-operatives and credit union have a major role to play. Until we do, we are not likely to have a world where every child will have enough to eat, a place to stand with dignity, and a capability of being unafraid of the dark of night.

Mr. Speaker, those are the main remarks to the Assembly that I would like to give at this particular time in the Budget Debate. However, I would like to digress briefly and make some response to some comments made by the hon. member for Wascana last night when he promoted the idea of the government issuing a premium savings bond. This is a project that I think has some merit. In my view it makes some eminent sense. An individual investing in a premium savings bond cannot lose his or her original investment. The probability of winning a prize in a prize draw enhances the probability of retaining the investment in the scheme for a prolonged period of time. It provides the governmental authority with loans at low interest rates beneficial to all residents whether they purchase the securities or not. Great Britain has had a scheme of this nature since 1956. They have sold in excess of 3 billion pounds or about \$6 billion in terms of Canadian money and they have retained and I get these statistics periodically, they have retained 2,206,000,000 or 66 per cent of that investment over most of that period. Their retention rates are abnormally high. Similarly, successful schemes are in operation in New Zealand, Sweden and Ireland. We can learn from their experience. There are some problems, of course, for a province contemplating this type of a security issue. I note that the member last night held up a ten pound premium savings



bond. I've had one of those for a long time, plus some more. I also have one of the New Zealand issue. I want to inform the members of this House, that on three occasions I have won prizes in that bond scheme and my actual return in relation to my investment, over the period of time I held it, has worked out to 51 per cent per year. Now that is not assured obviously in the sense that I might not have won anything. But the point that is important is the fact that with those bonds I cannot lose the original investment. It's not like buying a lottery ticket. It's totally different than simply going out and buying a lottery ticket. I personally have a real bias and I am quite willing to state this frankly and bluntly to anyone, I have a bias against lottery tickets and I simply won't buy them, but this is a different approach. It's a logical approach, it's a reasoned approach. I stated when I began to make a few remarks with respect to this particular item that there is a real problem for a province to attempt to do that sort of thing. It's related to the administration of the scheme. If you look at the people who have been successful in relation to this scheme it has been countries like Great Britain, New Zealand, Sweden and Ireland and they are all unitarian governments, they are not federal associations, they do not have provincial jurisdictions within them. That kind of scheme can best be marketed through a post office system and obviously there is merit in them doing it at that level. It should be noted that all those countries utilize their postal systems not only in terms of dissemination of information but in terms of sales promotion and redemption of bonds. Such a vehicle, of course, is not available to the province. I would disagree with the hon. member for Wascana with respect to such a scheme interfering with lotteries. I would hope it would; interfere with lotteries I would hope it would reduce the estimated \$16 million that people in this province now spend annually on lottery tickets. That in fact, Mr. Speaker, is one of the most regressive types of tax imaginable because it falls most heavily on lower income groups who feel they are in a poverty rut in any event and try to use that vehicle in an attempt to escape it. I welcome the hon. member for Wascana's conversion to the cause. I hope he will keep it up.

Mr. Speaker, I am sure it has become readily apparent to the members of this Assembly that I will oppose the amendment and support the main motion.

**SOME HON. MEMBERS:** Hear, hear!

## QUESTIONS

**HON. G.T. SNYDER (Minister of Labour):**— Mr. Speaker, we agreed earlier that we would return to oral questions and it might be appropriate to do that in light of the fact that the hour is growing late.

**MR. SPEAKER:**— Normally we would be dealing with a return to the business we passed over earlier today at a later time this evening. However, the members have requested that we return to it at this time. We will continue with the balance of the question period. The member for Moosomin.

## DEMURRAGE CHARGE

**MR. L.W. BIRKBECK (Moosomin):**— Yes, Mr. Speaker, I would direct a question to the Premier. Yesterday in your reply to the ramblings of the member for Regina South (Mr. Cameron), you stated that you had spent the weekend in Regina and had in fact met with Cabinet Ministers. I would like to ask the Premier, did you in fact raise the question of the serious problem of demurrage charges on the west coast with the Cabinet or the Prime Minister while they were in last weekend?

**HON. A.E. BLAKENEY (Premier):**— I had a discussion with the hon. Mr. Lang on some transportation issues including the demurrage issue. I think Mr. Lang's views on this are fairly well known. He regards it as a cost of doing business and that accordingly the cost in some sense has to be borne by the industry. I am not now reflecting Mr. Lang's views, he will reflect those himself . . . (interjection) . . . I am quoting what I understood him to say on the radio, not anything he said to me in our conversations. He was on the open line and dealt with the demurrage question. Anyone who wishes to find out this view on the demurrage question can get the script of the open line. Suffice it to say that I did raise a number of transportation issues with Mr. Lang.

**MR. BIRKBECK:**— Supplementary, Mr. Speaker. Are you saying then, Mr. Premier, that in fact that you believe that these costs should be reflected to the producers of western Canada and in particular our grain producers here in Saskatchewan? In light of the reply that you gave to me a week ago today when I raised this question in the House, you stated that you had been in politics 17 or 18 years. I wonder if you would not agree, Mr. Premier, that you have been rather ineffective in all those numbers of years in bringing about some effective changes to lower the costs of these high demurrage charges in the West Coast for our grain producers?

**MR. BLAKENEY:**— Yes, that indeed is accurate. Let me be clear when I am attempting to quote Mr. Lang's views given on the open line show. I am not quoting the views of the government of Saskatchewan. I would have thought most members would have recognized that Mr. Lang is not a member of the government of Saskatchewan and that we have differed from time to time on issues, including the transportation issue. With respect to the matter of demurrage, I think the relatively higher costs of demurrage incurred in the last little while have been due to I believe, a lack of delivery, primarily by the railways, primarily by the CPR because of difficulties of getting cars in southern Saskatchewan. They attribute it to snow. I would have thought that snow would have been something that might have been anticipated in the winter in Saskatchewan but the CPR takes a different view.

**MR. C.P. MacDONALD (Indian Head-Wolseley):**— I just wanted to follow up the questions on education to the Minister of Continuing Education before he ran out of the Legislature in the middle of the question period. He brought up some rather extraneous issues like, SGIO and so forth. I would like to ask him why he believes that \$500 million spent on potash — he doesn't have \$50 to give to university students. Is he aware, for example, that the tuition fees in the Saskatchewan Technical Institutions are \$138 per semester. Last year the tuition fees in the University of Saskatchewan were \$584.

**MR. BLAKENEY:**— Per semester?

**MR. MacDONALD:**— No, for the year. I didn't say per semester. If the Premier will listen carefully, he will get the answer. I would like to ask the minister if he realizes that the university enrolment in the province has remained relatively static as a result of these high tuition fees? Is there any deliberate policy on behalf of the Department of Continuing Education to encourage students into the technical field rather than the university field? I ask that in sincerity because certainly there is a great need for these kind of students. Is it a deliberate and conscious effort to direct students to the technical fields rather than the university level? If so, it would appear so and can he justify . . .

**MR. SPEAKER:**— Order, order.

**MR. MacDONALD:**— Can he justify the reason for it?

**MR. FARIS:**— I don't know which question the hon. member wants answered but I am sorry that he wasn't here earlier obviously or wasn't paying attention when I gave the House the information that the grants to the university sector in this province last year, in exceeding 10 per cent, were the highest percentage increase of any province in Canada. Perhaps he wasn't aware of that. I also point out that the student aid which we give to our students in this province, whether they are going to universities or to technical institutes, was increased by the province from zero dollars under the government which you were a member of, to \$1,800 a year. I can also say that in a very short time we will be announcing further increases in that kind of assistance. So we encourage students to make their free choice and those students who have the need are given very generous support in this province, certainly one of the most generous of any province in Canada.

In regard to the university sector, the member has mentioned that there has been some slight increase in university enrolments and that's very true. The fact is that the university enrolments peaked around 1970, declined for a while and have climbed up now until they are about, on a full time equivalent basis, something like 5 per cent higher than they were in 1970. During that same period of time, university faculty and staff have been increased by something like 28 per cent. So you can see that the funding, the support that in the last seven year period the university sector has received from this government has been more than adequate. They are being treated much more handsomely than they were under your government.

Now the fact is, as I pointed out, that university students, technical college institutes, no matter what they happen to choose, are better treated on a whole in this province than any province in Canada. I give you the example, for instance, of car insurance. I know the members don't want to hear this sort of thing but the car insurance rates here would be approximately \$300.

**MR. SPEAKER:**— Order, order. These are getting into the habit of long questions and long answers and I would now observe that we have gone more than twice the period of time that we had set aside for questions and I see — are there any ministerial statements?

## STATEMENT

### HOME INSULATION PROGRAM — "WARM UP SASKATCHEWAN"

**HON. J.R. MESSER (Minister of Mineral Resources):**— When the Budget was presented last week there was a general reference made to a new home insulation program for the people of Saskatchewan. This morning I unveiled the details of this homeowner conservation initiative called "Warm Up Saskatchewan". It goes without saying that energy conservation is a collective responsibility. The benefits of our action or the consequences of our inaction will be realized by all of us. This program is a positive response to one important part of our energy conservation initiative and contains a number of measured designs to assist the homeowner in upgrading the energy conservation qualities of his principle residence.

We will be offering interest free loans of up to \$1,000 to Saskatchewan homeowners. This money will cover, not only the purchase of insulation, but also a variety of other

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materials needed to prevent heat loss in the home. Homeowners can also use these loans to cover the labor costs of installing insulation materials. Participants will have up to 36 months to repay and, for the convenience of the homeowner, the loan will be repayable through the Saskatchewan Power Corporation's billing system. I would certainly encourage as many homeowners as possible to participate in this venture. Not only will the public save substantial sums of money in interest charges but, by improving the insulation standards of their homes, they will also get more out of their heating dollar. The money they save on their heating bills will help pay back the interest free loan.

I might add that details of the loan program will be distributed to SPC customers during the latter part of March and early part of April. Once the loans are available non-SPC customers will be invited to contact the corporation's district office in their area for more details.

There is, however, another important part of this program. Beginning immediately community colleges across the province will be offering home insulation courses to the public as well as to insulation contractors and suppliers. This course is designed to assist the homeowner and the industry to be more fully understanding of the whole question of home insulation and its advantages.

I feel that 'Warm Up Saskatchewan' will contribute to the overall objective we all share in terms of energy conservation in Saskatchewan. I can assure you that the provincial government has attached a high priority to this venture. That is not to suggest that it constitutes the sole thrust of our energy conservation initiative but I am confident that it will contribute most favorably to our long range conservation goals. In addition, this program will act as a stimulant to the economy providing manufacturing and labor opportunities for Saskatchewan people. And that, very briefly, is what 'Warm Up Saskatchewan' is all about and I am confident that the people of this province will respond to it. I am hopeful that we will all be able to derive important energy savings as a result of our ongoing commitment in this area.

**SOME HON. MEMBERS:** Hear, hear!

**MR. C.P. MacDONALD (Indian Head-Wolseley):**— Mr. Speaker, I only want to respond briefly . . .

**MR. SPEAKER:**— I think the members must realize that if the member for Rosetown-Elrose (Mr. Bailey) doesn't rise he has missed his opportunity.

**MR. R.H. BAILEY (Rosetown-Elrose):**— I realized I should rise but the time is after 5:00 o'clock and we could not have the opportunity to respond to the statement which was read by the minister until 7:00 this evening.

**MR. SPEAKER:**— I think we should go ahead for the sake of continuity and try to respond to it now.

**MR. BAILEY:**— Do I understand you, Mr. Speaker, that you want to go on past 5:00 o'clock with a response to the statement?

**MR. SPEAKER:**— I think the members should go ahead and we should . . . Order! Order! . . . I think we should conclude the item we are dealing with before we call it 5:00 o'clock.

**MR. BAILEY:**— The thing, Mr. Speaker, which I ask if we could not be able to do it after supper is that we haven't had a chance to read the statement, we haven't had a chance to make a response other than the statements the ministers mentioned this evening. I think that's highly unfair to a certain degree because normally we have an opportunity to do so.

**MR. SPEAKER:**— I would remind the member that he is not speaking on the statement's reason but he has attempted to make a point of order of some nature and I think the point of order is not valid, nobody has a chance to read the statement that I am aware of. The chance to respond is after the minister makes the statement.

**MR. BAILEY:**— The minister has made a statement which he has called it 'Warm Up Saskatchewan' and in the statement itself there are a number of things and I hope that we would have an opportunity later to ask the minister some questions. For instance, I did not, in listening to the minister reading his statement have an idea whether this does include homes that are presently under construction. That's very valid to young people of Saskatchewan who are presently building, are they going to be will they be permitted to take advantage of this particular program? Another question which I have, Mr. Minister, which was not answered in the reading of your statement was; will there be limitations according to the personal income of the individual, that is, is it only going to be those of say \$10,000 on. Is it an overall grant structure? I mean the statement in itself left a lot of unasked questions which it's fine to read the statement in the House but there are at least twenty questions which the statement leaves unanswered and if it's going to be like a lot of government programs which you had before, for instance, the program to repair the homes of the elderly and when you get into it for a constituent to see if they apply, if they are eligible, then you find out that they are not.

**MR. MESSER:**— Are you against it or for it?

**MR. BAILEY:**— Certainly, I'm for it, but I'd like to know and I think it was proper that the minister in reading the statement to this Assembly should have given some details as to who is eligible for the support. If it is going to be like the federal insulation program it is going to be of little value to the people of Saskatchewan because it's going to be a very select group and I wish that you had made this statement and been able to answer these questions at the time which you were reading the statement.

**MR. C.P. MacDONALD (Indian Head-Wolseley):**— Mr. Speaker, my comments will be very brief. First of all I want to say, Mr. Speaker, it's very appropriate that the minister in charge of Saskatchewan Power Corporation introduced this bill, because now he is trying to warm up people because nobody can afford to pay for the natural gas, he's raised the price so much. And, Mr. Speaker, I say that in all sincerity. He's taken the thousand dollars that he has taken from the people that are paying their power bill, he's doubled their power cost in the last year and really he's giving them very little. But I want to say to the minister and to the government that I think that this, perhaps, has the sound of a good program. And I think that innovation in energy conservation, by all governments, is an essential feature in the next few years in Canada and in the world. I think the energy crisis has been brought home to us, very, very apparent. The Federal government has instituted this kind of a program — a different aspect and a different philosophy. It hasn't worked as well as it might. And perhaps in concert with the federal or the national program, this program may make that program a more positive program. It may make people utilize that program much more than they do now because of the grant formula, from what I understand in the federal program does not

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very often, pay the total costs of the insulation requirements in homes in Saskatchewan and western Canada particularly because of the severe cold weather in Canada and the high insulation requirements. So that by taking the grant from the Federal government and also the interest-free loan from the provincial government, this may make it possible for the vast majority of Canadians who own older homes in particular, which were not built under CMHC requirements, with the insulation requirements that are now a part of the regulations, these people may be able to go out, provide the kind of insulation that their home is necessary to have. And perhaps it will make a contribution in the conservation of energy as well as making it a more comfortable home for people in Canada and in Saskatchewan in particular. I congratulate the government on this program. I hope it is successful. I hope it encourages people to take advantage of the federal program as well.

**SOME HON. MEMBERS:** Hear, hear!

### **ANNOUNCEMENTS**

#### **CONGRATULATIONS TO BETTY JEAN BEGGS**

**MR. KATZMAN (Rosthern):**— Mr. Speaker, before the orders of the day, I'd like to have the Assembly join me in congratulating a team that represented Saskatchewan at a youth championship in Toronto this week and one of the participants was the high point youth of Canada. At that show was a young girl by the name of Betty Jean Beggs of Estevan. It was the Canadian Quarter Horse Youth Championship; there were approximately 2,500 horses there. It is the second largest horse show in North America.

The Assembly recessed from 5:00 o'clock to 7:00 o'clock p.m.