

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature

March 15, 1978.

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

WELCOME TO STUDENTS

MR. M.J. KOSKIE (Quill Lakes):— Mr. Speaker, through you and to the House I take this opportunity to introduce 41 Grade Ten students from Muenster High School. I just want to say that with that group is my son, Morey.

HON. MEMBERS: Hear, hear!

MR. KOSKIE:— The group is seated in the west gallery and they are accompanied by their teachers, Mr. Afterchuk, Mr. Moore and Mr. Blechinger and Mrs. Koskie.

I understand the class had an opportunity this morning to visit some of the interest points in Regina. I do hope that you enjoyed your trip here and will enjoy your visit to the Legislature and will gain some knowledge of the functioning of the Legislative Assembly. I want to say that I welcome the opportunity of meeting with you a little later this afternoon.

HON. MEMBERS: Hear, hear!

HON. E.L. TCHORZEWSKI (Humboldt):— Mr. Speaker, I also would like to extend greetings to the students and teachers from Muenster. Muenster is a community that is very close to my home of Humboldt and some of the students, I believe, live in my constituency of Humboldt. I would like to extend my personal greetings to them and to their teachers, some of whom were colleagues of mine in the Humboldt superintendency when I taught there several years ago.

Also it is an honor and a pleasure to bring to the attention of this House a group of students who are in the Speaker's Gallery. They are from the Radar Hill Military Base in the constituency of Humboldt. They are Grade Eight students; there are 10 of them. They are accompanied by their principal, Miss Charlotte Ruuth and Mrs. Demartin, Mr. and Mrs. Ramsey and Mr. Sherritt. I think this is, if I recollect correctly, the first time we have had the honor of having students from the Radar Hill Base. I had the pleasure of meeting the students a year ago in their school, all of them. It is certainly good to see them here today. We hope that they will have a pleasant time and that this experience will be an educational one. I look forward to seeing them at 3:15 in the rotunda and later on in the Speaker's dining room. I ask members to join with me in greeting the students in the Legislature.

HON. MEMBERS: Hear, hear!

MR. G.H. PENNER (Saskatoon Eastview):— Mr. Speaker, I would like to introduce to you and through you to members of the House, a group of students who are sitting in the Speaker's Gallery. While they are not from my constituency they come from the finest school unit in Saskatchewan and an extremely fine school, Clavet School. We have a number of students from Grade Five along with their teachers Mr. Firstenberg and Mr. Kralej. These students and their teachers were earlier at the Museum of Natural

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History. After spending some time here in the House I know they intend to visit the RCMP Barracks. On behalf of all of us in the House we hope that you find your stay here to be worthwhile and that you will learn something this afternoon and that you have a safe trip home.

HON. MEMBERS: Hear, hear!

MR. H.W. LANE (Saskatoon-Sutherland):— I should like to join with the member for Eastview in welcoming the group from Clavet, the teachers and students from Clavet, on behalf of the MLA for that constituency, Mr. Katzman the MLA for Rosthern. Unfortunately he is not able to be here just at this moment but he will be back in several moments. He has asked me on his behalf to welcome the students and indicate to them that he will be taking a few moments to meet with them presently. Thank you, Mr. Speaker.

HON. MEMBERS: Hear, hear!

MR. P.P. MOSTOWAY (Saskatoon Centre):— Mr. Speaker, as the former MLA for that area in which Clavet School is, I too, would like to welcome the students and teachers from Clavet School. I hope they have a good day and a good and safe journey home.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF GUESTS

HON. G.R. BOWERMAN (Shellbrook):— Mr. Speaker, I take pleasure in introducing this afternoon the reeve and council members of, I think, the most recently organized municipality in Saskatchewan, the Rural Municipality of Paddockwood. They are sitting in the Speaker's Galley, in your gallery, Mr. Speaker, in the top row, to your left, Mr. Speaker. I welcome them to the Chambers. I welcome them and introduce them to the members of the House as being one of the progressive areas in taking on municipal responsibility in the province.

HON. MEMBERS: Hear, hear!

MR. D.G. BANDA (Redberry):— Mr. Speaker, I take pleasure to introduce to you and through you to members of the House a group of councillors and their wives from the RM of Blaine Lake No. 434. It is a pleasure for me to introduce the reeve and his wife, Mr. and Mrs. Sam Stupnikoff, the Secretary Treasurer Mr. Burak, Mr. and Mrs. Alec Kulick and Mr. and Mrs. Michayluk, and Mr. Eugene Szwydky, who are visiting with us today. I want to wish them an interesting afternoon, a good convention. I hope they have a safe journey home.

HON. MEMBERS: Hear, hear!

MR. W.H. STODALKA (Maple Creek):— I too would like to introduce some councillors from the RM of Enterprise in our area, Councillor Stern, Reeve Ted Frisz and Councillor Allan Woelfle from Richmond area.

HON. MEMBERS: Hear, hear!

QUESTIONS

REGINA BOILER MAKERS UNEMPLOYED

MR. S.J. CAMERON (Regina South):— I want to draw to the attention of the Minister of Labour an intolerable situation and ask him by way of follow-up what the government might do about it.

A large number of Regina boiler makers as the minister may know are without work. They are unemployed. Yet on the Coronach power project around Estevan there are a number, quite a significant number of boiler makers from outside the province who are employed there. They as a matter of fact get preference in their employment to Saskatchewan people and I wonder whether the minister is giving some thought to introducing a policy for these and other people as Saskatchewan jobs for Saskatchewan people policy as it applies to public projects at least.

SOME HON. MEMBERS: Hear, hear!

HON. G.T. SNYDER (Minister of Labour):— I assume the member was directing that question to me. The member will be aware of the fact that efforts are made on every possible occasion to direct work to Saskatchewan manufacturers and we have in a great many circumstances made efforts whenever possible to see that this takes place. Often times there will be specifications involved in a particular contract that require that the order be filled some place other than in the province of Saskatchewan. These are things over which on occasion we have no control. But under every circumstance the significant details are not a factor but every effort is made to provide for the supplying of products manufactured in the province of Saskatchewan.

MR. CAMERON:— Supplementary, Mr. Speaker. The minister will know that this applies in several situations. It applies to boiler makers and pipe fitters who belong to an international union in Kansas city whose hiring calls are located in Manitoba and in Alberta. Those Saskatchewan people seeking jobs in Saskatchewan by their Saskatchewan government have to apply for that job either in Winnipeg or in Edmonton. My question to you is, what assistance is your department prepared to give the Saskatchewan boiler makers and pipe fitters who are petitioning the international union for a local of their own and being refused by it so that they can have the preference for Saskatchewan jobs that Manitoba and Alberta people are currently getting.

MR. SNYDER:— Well, I can only assure the member that we will take the matter under advisement and see if there is any accommodation that can be made, any influence that can be exerted by the Department of Labour in that connection.

EMERGENCY PHONE NUMBER

MR. D.M. HAM (Swift Current):— Mr. Speaker, a question to the Minister in charge of Telephones. Since the Saskatchewan fire chiefs and provincial police chiefs have been pressing your government and Sask Tel for an emergency phone number, why has your department refused to initiate the use of this phone number?

HON. N.E. BYERS (Minister of the Environment):— Mr. Speaker, I didn't hear his question precisely. Why is the department not taking action to initiate the use of emergency telephone equipment — emergency 911. Sask Tel has been installing the equipment required for the emergency 911 number in a number of the exchanges like Saskatoon and Regina and at other points in Saskatchewan. Sask Tel is prepared to

install that equipment as it will with any other piece of hardware in the telephone business. The problem that is not sorted out is how this will be administered. To develop any particular plan requires agreement from a good number of agencies such as the police force, the fire chiefs and a number of agencies like that to determine how the program will be administered. There are discussions going on, under way in Saskatoon, perhaps unknown to one of the members for there. There are discussions being held with Regina, with the city councils and with the agencies of the city council to determine how such a system could be delivered and paid for and at the present time I would say to the hon. member that no plan for delivery has been agreed to in any urban centre.

MR. HAM:— A supplementary, Mr. Speaker. Mr. Minister, about when do you expect it to be initiated?

MR. BUYERS:— Mr. Speaker, any time that Sask Tel receives a proposal from any urban government in this province as to how they want the system delivered, Sask Tel is prepared to sit down and talk business with them.

SOME HON. MEMBERS: Hear, hear!

BOILER MAKERS' PROBLEMS

MR. E.F.A. MERCHANT (Regina Wascana):— A question to the Minister of Labour about the boiler makers' problem which I would suggest is an example of the employees suffering by the dominance of out-of-country and out-of-province trade unions. I wonder whether the minister wouldn't agree with me that . . . I have no concerns about the economic conditions in Manitoba and I suggest that the members of this House should have concerns about economic conditions in this province.

I asked the minister whether we would not be better served in this province if the Trade Union Act were amended to give directions to the Labor Relations Board to encourage the formation of independent Saskatchewan unions, and whether we would not be better served to ensure that where you have the vast majority of people wanting to establish their own union . . .

MR. SPEAKER:— Order! I will ask the member who is asking the question to not put it in a debatable manner. The essence of what he was saying up to now was 'debate' and he is asking the minister to debate the issue. Now, if you put a question I will accept it.

MR. MERCHANT:— I will change the tone, Mr. Speaker. Would the minister agree that we would be better to have trade union legislation which encourages Saskatchewan trade unions and amendments to the trade union legislation which would make it possible for Saskatchewan trade unionists to break away from their internationals where it is their wish to do so, while, and I'm sure the minister would agree, the present Trade Union Act and the tendency of the board is to keep them dominated in the strait jacket of their international?

HON. G.T. SNYDER (Minister of Labour):— I would have to say that the member for Wascana has a different perception with respect to the responsibility of the Labor Relations Board than I have. He has a different conception of what the Trade Union Act is intended to do than I have. Section C of the Trade Union Act provides that workers in Saskatchewan have the right to join in a union of their choice. I do not believe it to be the responsibility of the Minister of Labour nor the prerogative of the Labor Relations

Board to direct those workers into any particular union or to encourage them to join any particular union. That is a decision that must be made by the workers themselves and should not be imposed upon by a third party making any kind of authoritarian judgments with respect to what union they should belong to or whether or not they wish to form a union.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT:— A supplementary, Mr. Speaker. I ask the minister whether he would not agree with me that by saying that you stay independent you are, in fact, assisting the internationals to maintain their strangle hold over Saskatchewan workers and I ask whether the minister would not be prepared to introduce amendments which would make it possible for Saskatchewan workers to apply for certification even though they are now a part of an international union with jurisdiction in this province.

MR. SNYDER:— Once again, Mr. Speaker, I would indicate to the member for Regina Wascana that I believe these to be individual judgments that are made by individual workers. It is not my prerogative nor that of the Labor Relations Board to make a determination as to what union they prefer to belong to.

MR. SPEAKER:— Order, order. I will take the member for Moosomin.

GOVERNMENT POLICY PROPOSAL – SIMILAR TO DR. DEVINE'S

MR. L.W. BIRKBECK (Moosomin):— Mr. Speaker, through you I would like to direct a question to the Minister of Agriculture. Mr. Minister, this morning in your address to the Saskatchewan Association of Rural Municipalities Convention, you outlined a proposal for government policy similar to that initially proposed by Dr. Grant Devine, agricultural economist of the University of Saskatchewan. Mr. Minister, are you and your staff working closely with Dr. Grant Devine in the formulation of this policy?

HON. E. KAEDING (Minister of Agriculture):— Well, Mr. Speaker, the outline which I gave this morning was an outline of a proposal which was prepared with my staff. Much of the background material, however, is material which is available to Dr. Devine and I presume that when he made his proposition that he drew from the same material. We are certainly not against discussing our proposal with Dr. Devine. We think that anything that we can do to improve the feed grain policy of Saskatchewan has got to be a good thing. If Dr. Devine wants to come down and discuss his proposal with ours to see whether they jive, that's fine. Certainly we didn't borrow from his policy, it was one which was evolved by our department.

MR. BIRKBECK:— A supplementary, Mr. Speaker, with your permission I would like to now table these documents which prove, in fact, the hon. minister is the most enthusiastic pupil of Dr. Grant Devine.

MR. SPEAKER:— Next question, the member for Wilkie.

REVIEW OF SASKATCHEWAN INCOME PLAN FOR SENIOR CITIZENS

MISS L.B. CLIFFORD (Wilkie):— A question to the Minister of Social Services, you have announced that you will increase the Saskatchewan Income Plan to senior citizens by \$5 a month, which comes out to about 16 cents a day. Would the minister not agree

that 16 cents could possibly buy two eggs, one with a yolk and this would be putting a yolk on the senior citizens. Would you consider reviewing your policy on this matter?

SOME HON. MEMBERS: Hear, hear!

HON. H.H. ROLFES (Minister of Social Services):— Mr. Speaker, I can see why the member for Indian Head-Wolseley (Mr. MacDonald) is so sensitive about this, because when he was the minister responsible he got exactly nothing. In fact, Mr. Speaker, he took \$5 million away from the senior citizens via deterrent fees.

MR. SPEAKER:— Order, order! The question was ironical and rhetorical, which is against the rules and the answer was off the subject. I will take the next question.

DECLINING VALUE OF THE CANADIAN DOLLAR

MR. W.C. THATCHER (Thunder Creek):— Mr. Speaker, a question to the Minister of Finance.

Mr. Minister, we are all aware in this province and this country about the declining value of the Canadian dollar being down, barely making 88 cents now and bankers, of course, are actively now declaring that we may very well be looking at an 80-cent dollar not very far down the road. In that the minister indicated in his Budget last week that it is the intention of the province to borrow somewhere in the neighborhood of \$440 million and in that the finalizing arrangements with AMAX have not become clear, I believe you have some \$35 million which you really haven't decided how you are going to handle it yet. My question then, Mr. Minister, is, can you give this Assembly some indication as to how your department plans to proceed in its borrowings for this year. What markets are you going to go to? Do you plan to go back to New York? Do you plan to go to Euro dollars? Could you give us some indication please?

MR. SMISHEK:— Mr. Speaker, we will be following the traditional practice of first of all borrowing at the Canadian market to the extent that we were able to get sufficient funds from the Canadian market and subject to the interest rates being favorable. We will be looking at the American market as well as the off shore market. All markets will be explored to ensure that we are able to get the best deal for the province of Saskatchewan.

MR. THATCHER:— Supplementary question, Mr. Speaker. Mr. Minister, I am sure you are aware with the American dollar declining that to borrow \$440 million you are looking at \$500 million to pay it back. If you go to Europe, Swiss or German, you are looking at probably \$5.5 million to pay it back. Would the minister very briefly tell us how could you logically with the capable people that you have got in your department, how could you even remotely look in external borrowing in foreign currencies with the terrible declining rate that we are experiencing right now?

MR. SMISHEK:— Mr. Speaker, who said about foreign currencies. You can borrow in Canadian currency as the hon. member is well aware. The decisions have not been made. Certainly if we borrow in the United States then we will not be borrowing all the money on the American market. We will be spreading our borrowing portfolio to ensure that our borrowing portfolio is balanced. The precise decisions have yet to be made of where we will borrow, how much. All of that is subject, as I said, to get the best deal for the people of Saskatchewan.

MR. THATCHER:— Supplementary, Mr. Speaker. Would the minister tell this Assembly whether his government has actively in the past or is considering in the future the use of going to the Conservative government of Alberta and their Heritage Fund. In other words since the government of Alberta has loaned money previously to other unstable provincial governments, has your department actively considered going to Alberta and applying for help for your future capital needs?

HON. W.E. SMISHEK (Minister of Finance):— Mr. Speaker, the only money that Alberta has made available to their Heritage Fund is to those governments that have a Conservative government so far. They have not made it available to all of the provinces. Certainly, if money is available from Alberta we would be prepared to examine it subject to the favorable rates. We are interested in borrowing on the Canadian market first and foremost.

MR. C.P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, I would like to direct a supplementary to the Minister of Finance along the same idea. Would the Minister of Finance not agree that it might be a wise governmental decision on the part of the province of Saskatchewan to freeze all off shore borrowing until the fluctuation of the Canadian dollar begins to stabilize so that we don't jeopardize the cost of the debt retirement to the Saskatchewan taxpayer in the future? Would the minister not take that into consideration, it may only take two or three months until something stabilizes and would the minister consider that?

MR. SMISHEK:— We are always timing our borrowing to make sure that the period of borrowing is the best period of time, whether it is postponing it for a month or two months but our investment and financial services are always concerned, always checking, always testing the markets and certainly it may be desirable and advisable to postpone borrowing for a period of time.

ANSWER TO QUESTION RE RANCH EHRLO

HON. R. ROMANOW (Attorney General):— A few days ago the member for Wilkie (Miss Clifford) asked a question of the Minister of Social Services (Mr. Rolfes) relating to the question to reimbursement of costs for Ranch Ehrlo. I think the Minister of Social Services took notice of that question.

I would like to answer, briefly, that our intention is to reimburse Ranch Ehrlo in terms of their legal fees and disbursements only. The subject of the legal fees and the quantum of the disbursements and so forth is something which is the subject of correspondence between themselves and my department.

SENIOR CITIZEN ASSISTANCE

MR. A.N. McMILLAN (Kindersley):— Mr. Speaker, a question to the Minister of Social Services. In view of the fact that senior citizens in Saskatchewan and, indeed, members of this Legislature are terrified that the generous 16 cent increase in the assistance plan per day to senior citizens might be eaten up by the ravages of inflation, will the minister give us the assurance that any further assistance plan payments will be indexed to the cost of living in Saskatchewan?

MR. ROLFES:— Mr. Speaker, as I stated last night in my address to this House there are about \$100 million worth of programs for senior citizens in this Budget and the Opposition Liberal Party should keep in mind that we don't take in isolation any

particular program, but that we take the total program of the government for any segment of our society. In our Budget we have allocated about, as I said, \$100 million, which includes increases in SIP certainly, but it also includes increases in subsidies for nursing homes, it increases subsidies for approved homes. It also, as I indicated last night, that we are looking at a proposal to assist nursing homes for heavy level III. The Minister of Health has already indicated we are going to increase level IV. The Minister responsible for Energy has also announced a program which will assist senior citizens. Mr. Speaker, I think it is totally unfair of the Liberal Party opposite to pick on one small segment and try to indicate to the people of Saskatchewan that we are not providing for senior citizens.

MR. McMILLAN:— I would like to ask the Minister of Social Services again the fundamental question. Are you prepared to index the SIP payments to the cost of living in Saskatchewan — that's the question.

MR. ROLFES:— Mr. Speaker, every senior citizen group in this province has advocated to us that the main responsibility for pensions rests with the federal government.

SOME HON. MEMBERS: Hear, hear!

MR. ROLFES:— And, Mr. Speaker, it was not this government but it was the federal government that has taken away the indexing of pensions from senior citizens just recently. Mr. Speaker, we have given a substantial increase in this Budget for senior citizens, and we are proud of our program for senior citizens.

CABLE T.V. — NORTH BATTLEFORD

MR. J.G. LANE (Qu'Appelle):— I would like to ask a question to the minister responsible for Sask Tel. Why, when the government or Sask Tel sold the Outram Tower and Equipment to the North Battleford Cable Co-op, were the other cable operators not allowed to bid on the equipment (inaudible interjection)? Mr. Speaker, I resent being interrupted by the Attorney General. I asked the minister responsible for Sask Tel why they were not being allowed to bid.

HON. N.E. BYERS (Minister of the Environment):— Because, Mr. Speaker, as I understand the situation, initially, the four applicants who became successful licensees eventually, applied to use Outram as the outer head end for the receipt of the cable signals. Then about a year ago, three of the cable licensees changed their application to the CRTC and asked that Tolstoy, not Outram, be the head end. North Battleford did not ask the CRTC to change their application from Outram to Tolstoy, and therefore, the only successful cable licensee that was interested in Outram for the North Battleford Co-op.

POINT OF PERSONAL PRIVILEGE

WESTERN PRESS 1976 LIMITED

MR. R.E. NELSON (Assiniboia-Gravelbourg):— Mr. Speaker, before orders of the day I have a point of personal privilege. On Monday last I asked the Minister in charge of SEDCO a question regarding Western Press 1976 Limited and the minister indicated that the company was in operation and the receiver had to his knowledge not been appointed. Mr. Speaker, I have a letter here that I will table from the Saskatchewan Provincial Secretary dated March 9, 1976, which states: The Western Press 1976

Limited was incorporated in Saskatchewan the 13th of August . . .

MR. SPEAKER:— Order, order! What is your point of privilege?

MR. NELSON:— I am coming to it.

MR. SPEAKER:— Could the member get to it immediately and skip the other stuff.

MR. NELSON:— I certainly will, Mr. Speaker. This corporation was struck from the register on the 30th of September, 1977 . . .

MR. SPEAKER:— Order, order! Are there any other points of order?

MR. NELSON:— That was a point of privilege, Mr. Speaker, and I am getting right to it.

MR. SPEAKER:— I am dealing with orders of the day.

MR. NELSON:— I have been misled by the minister, Mr. Speaker . . .

MR. SPEAKER:— Order, order! I ask the member to take his seat.

MR. C.P. MacDONALD (Indian Head-Wolseley):— On a point of order, Mr. Speaker. I would like to express an objection on behalf of the member for Assiniboia-Gravelbourg, he has a point of privilege. It is very difficult to bring that up without first of all explaining the circumstances. You cut him off before that was possible.

MR. SPEAKER:— The member has to be very brief in bringing forward a point of privilege and it has to be a point of privilege. It can't be a fallacious presentation of evidence that he finds himself in conflict with some minister. It has to be a point of privilege and I am not prepared to accept the member for Assiniboia-Gravelbourg on that point that he raised.

MR. NELSON:— On a point of privilege, Mr. Speaker . . .

MR. SPEAKER:— Order. I have already told the member that I am not accepting his point of privilege. I don't see what the point of privilege is.

ADJOURNED DEBATE

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. W. E. Smishek, Minister of Finance, that this Assembly do now resolve itself into a Committee of Finance and the proposed amendment thereto moved by Mr. Penner.

HON. G. MacMURCHY (Minister of Municipal Affairs):— Mr. Speaker, I am sorry we had the interruptions to moving into the Budget Debate.

On entering this debate, Mr. Speaker, I want to congratulate my colleague, the member for Regina North East and the Minister of Finance, for one of the most judicious and forward-looking budgets ever presented in this Assembly. The 1978 Budget is an indication of the optimism that the New Democratic government has for the future of our province. It is a budget that calls on the best of people; a budget that works with

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people's hopes and expectations, not on their fears or their prejudices. This 1978 Budget builds on our strengths and encourages people to look forward to their goals.

Mr. Speaker, Saskatchewan is one of the better places to be living in in 1978. To keep it that way requires good management, competence, experience and a steady hand at the helm. But good management at this time means stimulation of the economy. It means priming the pump to keep moving ahead and this Budget calls on people to take part in the renewal of the economy and it gives them the dollars to do it.

Let me review the features of this Budget: income tax reductions of 9.5 per cent with a \$40 cut per taxpayer and a \$30 cut per dependent child, to give Saskatchewan the lowest tax rates of any province in Canada for people who earn up to \$13,000 a year; reduction in auto insurance premiums of 5 per cent — yes due to Safety '77, and yes due to the use of seat belts; a \$20 million increase for school grants and increases of \$45 in the Property Improvement Grant which means that \$72 of school costs are covered out of provincial revenue; an extra \$20 million for senior citizens, including 1,500 new housing units with a continuing heavy emphasis on rural Saskatchewan; more level IV care beds, the tax on small business reduced by 8 per cent and a number of new programs to help small businessmen; no increase in power bills in 1978 and no increase in natural gas rates beyond 8 per cent. Mr. Speaker, \$2 million has been set aside for livestock services and agriculture including upgrading of grazing lease lands and a new swine research centre; \$200,000 to develop a major rural development program involving millions of dollars on a federal-provincial basis; nearly 20 million new dollars for municipal government — the largest increase ever recorded in the province's history.

This is an "Action Budget", Mr. Speaker, this "Action Budget" is not meant for an election but I want to say that I would be happy to take it to the people of Last Mountain-Touchwood.

Mr. Speaker, it was interesting to listen to the Conservative financial critic and hear the old replay of the old routine of cutting sales taxes and the old game about who owns the Crown corporations. The only thing was, I could not tell whether this born again-Conservative was using a speech he had dug out of the filing cabinet from his days as a Liberal member or whether it was a musty old speech that his late father, Ross Thatcher, used to make as Leader of the Liberal Party.

It would have the same old promises that were never fulfilled by the Thatcher government and promises that will never be fulfilled by the Leader of the Conservative Party opposite.

Mr. Speaker, when our government came into office in 1971, local governments were starved for funds. There was just no money for urban municipalities — grants to urbans in 1971 totalled \$1 million including housing money — and there was not enough money for rural municipalities or school boards. Property taxes had to be kept low because people simply could not afford increases. The result was that local governments found themselves with little freedom or flexibility to make decisions because they just did not have the money.

Our government was determined to turn around this declining strength and power on the part of local governments. We turned our attention first to education. In 1971, school boards were receiving \$73 million with the bulk of that going to the "have"

boards. We implemented the foundation grants formula which distributed the money more fairly; we began a series of large increase in operating grants to schools. In three years operating grants to schools doubled from \$70 million to \$140 million. For the budget year, this year, grants to schools will reach \$200 million. The new money, as well as changes to legislation, allowed the educational system to function once more in a spirit of co-operation rather than in a spirit of controversy that had dominated the years before '71.

Having accomplished the turnaround in education, we put our minds to the municipal system. A major package of urban assistance went into effect. A police grant and a new unconditional per capita grant was introduced. Assistance was provided for urban transit. The Community Capital Fund was introduced which made provision for \$50 million in unconditional capital grants.

We reorganized the Department of Municipal Affairs so that urban and rural problems could each get adequate attention. We then began discussions with the Saskatchewan Association of Rural Municipalities and the Saskatchewan Urban Municipalities Association to develop revenue sharing — the new system of financing municipal government in Saskatchewan. The first phase of revenue sharing is now ready to go. It will make 1978 an historic year for municipal government in this province. Mr. Speaker, the introduction of this revenue sharing program is historic on four counts.

Revenue sharing has created a new excitement and interest throughout local government in Saskatchewan. Step by step the program has been worked out with SARM and SUMA representatives. Every councillor and every alderman and every reeve and every mayor in Saskatchewan has had an opportunity to comment on the program at major stages of its development. Our councils are excited, so are the people that they represent and there is a sense of anticipation, a looking forward to what will be possible with the revenue sharing program.

The second historic aspect is the size of the revenue sharing pool. Now that councils have received the figures for their individual municipalities, their enthusiasm for the program has been borne out. There is a total of 19.1 million new dollars — \$12 million for urbans and \$7.1 million for rurals. As the president of SARM said yesterday, this program is a milestone program and it means about 300 new dollars for every farmer in the municipality.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY:— In 12 months time there will be another increase in funds, a very substantial increase after which the pool will be high enough for the automatic escalator to work and to work effectively. The size of the pool in this year's revenue sharing puts Saskatchewan ahead of every other province in aid to municipal government.

Third, the revenue sharing program in Saskatchewan is historic because it is the first true revenue sharing program in Canada. It is true Manitoba has a system whereby 1 per cent of corporate tax and 2 per cent of personal income tax is paid to municipalities on a per capita basis. But corporate income tax and personal income taxes alone are not enough to provide an accurate reflection of what is happening in the economy. It is true British Columbia has a system it calls revenue sharing but it was developed in isolation from the municipal organizations of the province; it is so complicated that no one can understand it and there is little money in it to provide few meaningful dollars to

municipalities, particularly the small municipalities.

Other provinces have not even attempted revenue sharing. Oil rich Alberta has indicated it has no intention of doing so. Saskatchewan is truly then in the forefront of local government in Canada and we can be justly proud of our leadership.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY:— The revenue sharing program is historic because it gives true local autonomy to municipal government. We hear a lot of talk about local autonomy. But I ask you, Mr. Speaker, what does local autonomy mean? Surely local autonomy means having the right to make your own decisions and having the resources to back them up. Local autonomy and independence are only possible if the dollars are there to support local decisions.

The Conservatives opposite talk a lot about local autonomy. Let's talk about Tory local autonomy, Mr. Speaker. In Manitoba, at the municipal convention last fall, the new Tory Minister of Municipal Affairs told delegates that municipalities would have to revalue their projected capital expenditures in light of declining assistance from the federal and the provincial governments. The minister went on to suggest that a greater burden of increased expenditures will have to be absorbed by the property tax. Declining assistance from senior government, increased property tax, giving municipalities less and less room in which to operate — so this is local autonomy.

How can the Conservative Leader opposite say he believes in the ability of local governments to make decisions when he makes sarcastic remarks to his convention about requests from villages and towns seeking grants from their provincial government. The Conservative Leader apparently opposes provincial grants that help people in those villages and in those towns. Mr. Speaker, in Alberta, our move to revenue sharing has been applauded by the urban and municipal associations. In fact, they are ecstatic, say the news reports. But what does the Premier of Alberta say? He says no, he says revenue sharing would put a strait jacket on provincial government. This is in Alberta where the latest available figures show that local government per capita debt is \$891 — three times the Saskatchewan figures at \$273. Mr. Speaker, the Collver Conservatives say they are in favor of local autonomy. It sounds a little hollow, doesn't it. There is no local autonomy without dollars to back it up. These dollars must be unconditional. This year's revenue sharing program for urban municipalities contains 100 per cent unconditional dollars and for rural municipalities, the unconditional share is 50 per cent. Mr. Speaker, in addition to providing more money for municipalities than any other province and in addition to being the only province which will truly share provincial revenues with its municipalities, this government provides more unconditional money at the local level than any other province in this country.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY:— I ask you, therefore, which political party in Saskatchewan really believes in local autonomy? A total of \$62 million this year, a substantial increase next year, the question is, how is this possible. How is this possible in Saskatchewan at a time when other provinces are announcing cutbacks and deficits and tax increases, deficits of \$1.5 billion here, \$11 billion there, tax increases and medicare premiums to \$44 per family per month. The Saskatchewan increases, Mr. Speaker, are possible for two reasons. One is the good planning and foresight of your government who put away

money in the good years from 1973 to 1976 so that now when things are not so good, funds can be drawn upon to provide new money. This practice of stabilization has made 111 million new dollars available in the past three years.

This Budget has been criticized by the members opposite because there is a 2 per cent difference between revenue and spending. I remind the members of the Stabilization Fund and I remind the members that we would not have had to use this money if taxes had not been reduced or revenue sharing had not been introduced. We could have had a surplus in 1978 in the government's financial statement, but it seemed to us that the 25th Chapter of the Book of St. Matthew has something to say about that. We believe it is important not to boast but to keep moving ahead.

Secondly, this increase is possible because of the sound management principles, the good management principles of the 1978 Budget.

Mr. Speaker, agriculture is the single most important industry in Saskatchewan. Agriculture is a base for the service industries around which rural communities are built. Agriculture provides our largest export commodity. Agriculture is the base for secondary processing which will become increasingly important in the future of western Canada. Things are beginning to look better for agriculture as beef prices rise and our Canadian Wheat Board makes record sales. But the agricultural sector can hardly be called upon to provide 20 million new dollars to increase funds to municipalities. Farmers can no longer be the only source of revenue for Saskatchewan government. Our government has recognized this for some time and it has built its resource policies with this in mind.

The 1978 Budget includes provision for the new Heritage Trust Fund which will include taxation revenues from oil and potash and uranium and sodium sulphate and coal and hard rock minerals. Since 1971 when our government took office, resource revenues have been raised from \$33 million to over \$460 million, an increase of 14 times one dollar in every four dollars today which comes from our resource wealth. Some of the resource revenue will be used to start revenue sharing, it will be used to cut income tax, it will be used toward the Property Improvement Grant increases, it will be used to create jobs. But most of the money from resources is being set aside for re-investing and development. This is a key strategy for Saskatchewan, it is one point where we differ strongly with the members opposite. We believe that the bulk of revenue from resources that are being used up should be plowed back into new investments. This money is a one-time profit and if we spend it all now, it's gone forever. The Heritage Fund will invest in resources and resource development so that future Saskatchewan generations will receive the benefits of our resources.

Mr. Speaker, at a time of huge deficits across the country we have major new money for local government and we have it because we planned and prepared for it. With the money in place we have developed a formula for distribution which ensures that all people receive the benefits of the program, the revenue sharing program planned carefully with SARM and SUMA, ensures equality in the distribution of the revenue sharing pool. Of the \$12 million of new money to urban municipalities, \$10 million will be paid out in unconditional grants. Every urban centre from village to city receives a basic \$1,000. This basic grant guarantees a meaningful amount of money to even the smallest community. In addition, every community receives a per capita grant on the basis of its population. This money is unconditional. Together the basic and the per capita grant amount to 60 per cent of the urban money; the remaining 40 per cent is distributed through a foundation grant formula similar to that that is used in the

foundation grant system for schools. That foundation grant formula takes into account differences in expenditures and different sized communities; it takes into account police costs and general costs.

Now, Mr. Speaker, some large centres have expressed concern because the police grant has become part of revenue sharing. We have said all along that police costs are recognized as part of the foundation formula and that the increases in grants will more than make up for the police grant. I believe that is evident now.

Let us take some examples. Mr. Speaker, 1977 grants for equalization per capita and police for Saskatoon were \$5.2 million. The 1978 total is 7.3, an increase of \$2.1 million. In Regina last year \$6.8 million, this year \$8.9 million, an increase of \$2.1 million. In the city of Moose Jaw \$1.5 million last year, this year \$2.2 million, an increase of \$740,000.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY:— I've heard some criticism from the mayor of Carlyle about this program. Last year the mayor of Carlyle received \$23,000; this year he receives \$45,000, almost double, an increase of \$22,000. In the town of Kamsack \$92,000 last year, this year \$122,000, an increase of \$30,000. Mr. Speaker, revenue sharing means far more to all these communities than the old grants would have even come close to producing.

Rural municipalities receive 7.1 million new dollars, an increase of 40 per cent. For rural municipalities on the unconditional side there is a basic flat grant for each municipality. The average basic grant is over \$4,000, this is completely new money. The second part of the unconditional money is equalization. The factors in the equalization calculation remain the same as the old grant system where differences and assessments and population from one municipality to another are taken into account. Equalization and basic grant means 4.4 million new dollars in unconditional grants to rural municipalities. This extra money becomes very clear when each municipality looks at its own figures. On the conditional side there is 1.5 million new dollars in main farm access.

We will continue the policy of completing the main farm access roads at the rate of 1,000 miles per year. The extra funds in this year's Budget will allow some room for catch-up for municipalities that have overbuilt their quotas in the last few years. Super grids are budgeted at \$2.5 million, an increase of \$1.5 million. This will give the program a big boost in the 17 maintenance areas that have already been formed and in the 10 that are holding discussions. Grants will continue for bridges, for grid maintenance, for industrial, for park access roads and for shelter belts and so on.

Revenue sharing brings a new grant of \$3 million for rural and urban municipalities to participate and co-operate in ambulance, fire protection and recreation services. We call this grant the services grant and municipalities will have the option of participating or not participating as they see fit. We are working on the details of this program and the ambulance program will be the first one to be organized. It is expected that municipalities will co-operate to form ambulance districts, who will in turn make decisions concerning service for the area.

Fire protection grants will work the same way, as will the recreation grants when the program details are worked out and there will be an announcement shortly.

Mr. Speaker, in closing, 1978 is an historic year for Saskatchewan. Agricultural prices are showing increases for the first time in three years. The energy of the new young people out there on Land Bank land and Farm Start loans in our communities is having its impact. A spirit of optimism prevails. There is excitement about the heavy oil development in northwestern Saskatchewan.

There is excitement over the expansion at IPSCO to gear up for the Alaska pipeline. There is excitement over the headlines in all the financial papers which say that the centre of economic activity is moving to western Canada. That optimism in individuals and in local governments and in Saskatchewan is what the Budget by the member for Regina North East is all about. This Budget encourages people to look forward to their goals and to make their own decisions. This has always been the strength of Saskatchewan people, the Saskatchewan people who see what needs to be done and who go ahead and do it and do it on a commonsense basis. Mr. Speaker, this Budget gives individuals, it gives local government the resources to make decisions and to start to do what they really want to do. Mr. Speaker, this Budget encourages goals and hopes and it gives people the power to achieve them.

Mr. Speaker, I am proud to support the Budget.

MR. D.G. BANDA (Redberry):— Mr. Speaker, I am pleased to be able to take part in this Budget Debate. The people I represent, the people of Redberry welcome and approve of this Budget.

Mr. Speaker, something gives me even more pleasure than making a few remarks in this Debate. I have been amused and humored the last few days to be able to sit here and watch the members opposite: the spokesmen of reaction in full retreat in the face of this Budget.

For the last two or three years, Mr. Speaker, the Conservative Leader, the Liberal Leader (whether old or new), the member for Thunder Creek, Mr. Thatcher (whether the finance critic for the Liberals or whether he is the finance critic for the Conservatives) are saying the same thing. These members and others are going up and down this province heaping scorn and ridicule on the efforts of this NDP government to keep the Saskatchewan economy moving. You're heard their slogans, Mr. Speaker, cut back government spending, the government should get out of business, needed social programs are unnecessary frills, and the granddaddy of them all, Mr. Speaker, the government that governs least governs best. The list of one-liners is as long as your arm, they have got one for every occasion. In short, what they have been promoting is anarchy, Mr. Speaker. They say out of one side of their mouths that government should get out, government shouldn't meddle; out of the other side of their mouths every time there is a little problem here or there, they have been saying it's the government's fault and the government should solve it.

Mr. Speaker, they can't have it both ways. They have been saying that there is something immoral, something evil, something hideous about government working with private and co-operative enterprise to ensure that our economy functions in such a way as to give our people a decent standard of living. Until recently, unfortunately, they have been having some success in peddling these myths, Mr. Speaker. But I think people are beginning to see through this flimflam. People are beginning to realize that this mentality was the same one promoted by Conservatives and Liberals alike prior to and during the depression. They are doing the same thing today and people realize we

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can't afford to make the mistakes of the 1930s all over again. People are beginning to realize that this mentality was the same one practiced by the Thatcher government in Saskatchewan in 1968 when they cut services, imposed deterrent fees and a thousand other horrendous tax increases. But, Mr. Speaker, they slashed taxes on turkey saddles.

People are realizing that if we continue to have a million people looking for work in this country and not finding any we are headed for serious trouble. They know it's costing our country \$9 billion in added unemployment insurance payouts, welfare payouts, lost production, foregone taxes and wasted lives. People are realizing that many of the unemployed are young people and if we can't give them work we are going to create a generation of permanent quitters and that is bad for our future.

Mr. Speaker, people are realizing and expecting that governments will have to take the lead in getting this country together and in creating jobs. People are seeing through the flimflam and the one-liners and they are realizing that a dollar spent by a government is as good as a dollar spent by anyone else and it circulates just as well. It may even be better if it creates a new job or builds something needed and lasting and stays in Saskatchewan. People are now saying that it is better to pay people to work than to pay them not to work. Mr. Speaker, the people are right.

The flimflam artists who sit across from us, the Conservative Leader and his national leader, with whom he is in complete harmony, are beating a hasty retreat and trying to change horses. If it wasn't such a pathetic sight, Mr. Speaker, it would be humorous and if it wasn't for the fact that this public realization will produce some new double talk and some new one-liners, Mr. Speaker, the change would be welcome indeed.

Some things have been happening in Saskatchewan and in Canada to produce this awakening, this realization I have been talking about. What are some of these things, Mr. Speaker?

If we look at our sister province to the East, look to Manitoba, we find some of the answers. They had an election in Manitoba, Mr. Speaker. Conservative Leader Sterling Lyon went up and down the province telling people how bad things were. On one hand he promised to keep all the good social programs and on the other hand he told people that they needed a dose of and I quote: "acute, protracted restraint". The fact that the two are totally incompatible was irrelevant — sounds like our own Conservative Party here, Mr. Speaker.

Well, Manitoba is getting the medicine. All public buildings, senior citizens' housing, hospitals; you name it, they are all winding up in the Tory deep-freeze. With those projects went the jobs. Unemployment among building and construction trades has gone sky high. Architects are out of work and unemployed. Mr. Speaker, next the small suppliers will be bankrupt and out of business.

If we go one province further East to resource and industry rich Ontario, comparison brings home the stark realities even more clearly. They brought down their budget the same day as ours, Mr. Speaker. I would like to give you a sampling of the reaction to the Ontario budget. Mr. Speaker, what was that reaction?

The Toronto Star headlines tell the story — 37.5 per cent jump in Ontario hospital insurance premiums, the highest in Canada. Opposition furious. Ontario job plan criticized as useless. Allowance for disabled branded election gimmick. There is more,

Mr. Speaker. OHIP increase hardest on those who pay direct. Mining firms get a break. It is no joke — booze, beer, wine taxes, too, are up on April Fool's Day. Mr. Speaker, Darcy toasts the budget with 50-cent drinks. Those are from March 8, Toronto Star. With a disaster like that, the Ontario Finance Minister should have bread and water, Mr. Speaker.

The headlines don't say it all. The Ontario budget document which cost \$75,000 to print says more. There was a \$5 million saving for insurance companies; a \$5 million saving for the mining companies. They had a couple of goodies: sales tax on storm windows were cut; retail sales tax on hotel rooms were cut. And what did the Tory minister say of that move? I quote: "It will provide a total tax saving for travellers and tourists in Ontario of about \$30 million." Further on he says, and I quote:

The price of a room has already been effectively reduced by 15 per cent since November, 1976 for our American friends and by as much as 40 per cent for visitors from Japan and western Europe.

Mr. Speaker, he had to raise medicare premiums to \$528 per year so that he could give the mining and insurance companies a \$10 million tax break. Then he had to raise hospital premiums to \$528 a year for Ontario people to give Americans a \$30 million tax break — a fine example of more Tory management coming home to roost, Mr. Speaker.

What was the reaction, Mr. Speaker, to our Budget? The Star Phoenix, which is no friend of this political party, the Phoenix on March 7 reported the Budget extensively. Listen to the headlines, Mr. Speaker:

Residents to Receive \$85 Cut in Taxes; (an \$85 dollar cut for every man, woman and child in this province, Mr. Speaker.) Saskatchewan Income Tax is Cut 17 Per Cent; Property Improvement Grants up 14 Per Cent; (lower taxes for everyone, Mr. Speaker.) Municipal Grants to Rise 45 Per Cent; (our local government, our RMs and our school boards — increased grants.) Small Firms to Receive a Tax Break; (Our small businessmen, Mr. Speaker.) Farm Research Funding Up \$1.1 Million (There is still a list of them, Mr. Speaker.) Auto Insurance Rates to Decrease; (due to our Safety '77 Program). Programs Expected to Create 5,800 New Jobs; Mortgage Help Planned; Power Rates to be Frozen; Health Budget Jumps 32 Million Dollars; Anti-Crime Program Proposed.

There's more, Mr. Speaker, and it's all in the same view. It is entirely opposite to the reaction of the Ontario Tory budget.

Senior citizens, Mr. Speaker, in this province receive a budget of \$100 million compared to 1971, \$.5 million, Mr. Speaker. We are able to expand our capital budget for highways by 18 per cent in this province and a thoroughly needed share of that is being done in the Redberry constituency. There is expansion on housing programs for senior citizens, for farmers and for low rental income.

You know, Mr. Speaker, if I were the Conservative Leader, I would have done exactly as he has in the face of this Budget. He's going into hiding and well he should be. He was crafty, though. Instead of standing up and making a fool of himself again in replying to the Budget, he looked around for the most likely burr under his saddle and he took the member for Thunder Creek.

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SOME HON. MEMBERS: Hear, hear!

MR. BANDA:— So the member of Thunder Creek, (Mr. Thatcher) looking for some more punishment, jumped into the breach. We weren't disappointed, Mr. Speaker. The member for Thunder Creek replied in a fashion that was indistinguishable from that of his leader. His arithmetic was wrong and his double talk was strong. We spent too much but we are not spending enough. No one in this House was fooled, nor do I think the public will be fooled.

The examples of Tory Manitoba and Tory Ontario stand as reminders of what can happen when the economic strategy, made famous by the Thatcher government, is in full force. The people of Saskatchewan remember seven years ago and they can see what's happening in these two provinces.

Mr. Speaker, in this Budget they can see that good economic planning and wise resource management and taxation policies can yield good results for people.

Mr. Speaker, I would like to be able to take more time but because of the sincere opposition over there cutting into our time, I want to say that because this is a people's Budget, I am proud to support it and I will be supporting the motion.

MR. B.M. DYCK (Saskatoon Mayfair):— Mr. Speaker, never in the seven years of the Blakeney government have I been more proud and pleased to participate in a Budget Debate on behalf of the constituents of Saskatoon Mayfair. I am sure that I share this pride and pleasure with the Minister of Finance, Mr. Smishek.

Mr. Speaker, Canada today is enduring very difficult times. Our dollar has reached a new low in the money markets of the world and is in serious trouble. Unemployment has never been higher since those devastating 1930s that many of you will remember. We are still suffering from severe inflationary pressures which cause hardship and anxiety for many whose incomes, savings and pensions are being rapidly eroded by ever increasing consumer prices. While our country is in real trouble, this Budget provides some sensible direction for all of Canada. It provides for greater confidence. It provides for and indicates stability in the Saskatchewan economy. It indicates a faith in the people of Saskatchewan.

The last seven years, Mr. Speaker, have been good for Saskatchewan. When other governments are talking about restraints and leaving our troubles up to the private sector who have failed so miserably in the past, the government of Saskatchewan is doing something concrete to help people with the high cost of living; to help our economy; to create more jobs; to provide tax relief for many and to expand programs for those who are in need.

The people of Saskatchewan support the new deal 1975, as I am sure they will support this Budget. This Budget, Mr. Speaker, could be called a "Good Deal 1978".

SOME HON. MEMBERS: Hear, hear!

MR. DYCK:— While the costs of health care and education are increasing at alarming rates each year, we have been able to reduce income tax by 5 per cent; put \$34 million back into the pockets of Saskatchewan taxpayers and removed 22,000 people from the income tax rolls. While reducing taxes we have been able to expand and improve many worthwhile programs already in operation. I refer you, Mr. Speaker, to programs such

as the Senior Citizens Home Repair Program and the Senior Citizens Income Plan Supplement and to increase grants to the property owner, for example, from \$200 per home to \$230 per home and business from \$220 to \$250.

In 1971 we spent \$150 million on health care. In 1978, Mr. Speaker, \$435 million on health care. Although improvements could be made in our health care, the people of Saskatchewan know, that all things considered, we have away and above the best health delivery system in all of North America. While I say that, Mr. Speaker, I want to warn the people of Saskatchewan, I want to suggest to them, that this health care program that we enjoy today is not guaranteed. There is absolutely no guarantee that the health care program that we have today will be here tomorrow if there is ever a change of government in this province. I say this, Mr. Speaker, because I know that had we not pursued the tax policy we did on resources, we would not have had the moneys to pay these high costs.

We have been able to maintain these programs and I want to emphasize and reiterate that no other provincial government across Canada has been able to accomplish tax decreases, develop new programs and expand and improve old programs during periods of rapidly rising costs in every government department. You might ask, why is this possible in Saskatchewan? It is possible because this government believes in deriving revenue from resources like oil and potash instead of taxing people.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK:— It is possible because through prudent budgeting over the years we have developed surpluses in good years to help us in more difficult ones.

In Conservative Ontario they have spent \$6 billion more than they have taken in from taxes in the last five years — \$6 billion of borrowed money. That, Mr. Speaker, is fiscal responsibility, Conservative Ontario style. Now, as you know, what would have happened to this tax revenue from resources, had the Conservatives been in power during these years in Saskatchewan. Mr. Speaker, all those millions of dollars that we are deriving from our resources, under any other government — Liberal or Conservative — would have been substantially lost. This money would have quietly slipped across the line to the United States and other parts of the world and we wouldn't have ever seen it again. The taxpayer of Saskatchewan would be paying a good deal more in taxes and receiving a good deal less in benefits.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK:— In say, Mr. Speaker, that is a bad deal. I am pleased and delighted that this Budget contains funds for the development of the Saskatchewan River Bank in Saskatoon. This development was part of our program in the 1975 election and I am pleased that we will be doing something to enhance the already intrinsic beauty of the Saskatchewan River Bank in the city of Saskatoon. Grants to the city of Saskatoon have increased \$2 million to over \$7 million, compared to a few \$100 thousand in 1971 under the Liberals. Certainly these grants, along with increased grants to school boards, should allow the mill rate to stay exactly where it is, in spite of increased costs of operating schools in the city of Saskatoon.

I was happy to note in the Budget that there will be no increase in the cost of electrical power and that natural gas rate increases will be limited to 8 per cent. Between 60 per

cent and 70 per cent of our natural gas is imported from Alberta. A few years ago we were paying about 20 cents per 1,000 cubic feet of natural gas from Alberta. We are now paying \$1.20 per 1,000 cubic feet; a 600 per cent increase, Mr. Speaker, a 600 per cent increase that has been very difficult for many of our users to pay.

Certainly the \$5 increase to the Senior Citizen Income Supplement will provide some tangible help in this regard for senior people, to help them pay their utility bills. But this is not enough and I believe that the federal government, whose responsibility it is to provide pensions for senior citizens, has been completely irresponsible in not providing an adequate income for our senior people, the people that built this province; the people hurt the most by the rising costs of food and fuel and housing; the people whose savings have been virtually lost because of uncontrolled inflation.

Mr. Speaker, the Budget also increased from \$500 to \$650 available under the Senior Citizens Home Repair Program and people who have applied for a grant under this program five years ago, may apply again for a grant. This program has certainly been of real benefit to many senior people who wish to remain in their own homes. For senior people who are unable to remain in their own homes because of ill health or other reasons, there will be an 8 per cent increase in grants for special care homes to alleviate the cost in this area.

I know that MLAs from Saskatoon and across the province will be pushing for renter's grants and I know that Paul Mostoway and myself will be working very hard for a grant for renters.

As I mentioned earlier, Mr. Speaker, I want to return to the matter of what the Conservatives would do if they were in power. I would like to indicate to you and to the people of Saskatchewan what the provincial Conservatives have been saying and what the Conservatives that are in power in other provinces, have been doing. In Conservative Ontario, for example, when their Budget came down on March 7, health premiums in that province were raised to \$528 per family per year. Mr. Speaker, this is a tax on health care — a tax on health care that people of Saskatchewan do not have to pay because in Saskatchewan we don't have any health care premiums. The tragedy of this situation in Ontario is that while health care premiums went up to \$528 per family per year, they reduced the tax on mining by \$5 million. Ontario gets more tax revenue from health premiums on people than it gets from the total corporate income tax. This is the situation in a highly industrialized province where there are large numbers of corporations operating and I warn the people of Saskatchewan that a health care program as we know it, is not guaranteed. There is no guarantee that it will continue in the future as it has in the past. Conservative Ontario has already indicated what would happen. If the Conservatives were elected to power here what would happen? Faced with rising costs of health care as we are today, they would not only be charging premiums of \$528 per year as they are charging in Conservative Ontario but they would long ago have put in deterrent fees as the old Liberals did in 1967.

The Conservative member for Swift Current, Mr. Ham, has already said that he supports deterrent fees. Mr. Roy Bailey, the Conservative member for Rosetown-Elrose says that people wouldn't mind paying \$10 a day to stay in the hospital. These comments, Mr. Speaker, are on the record. They cannot be refuted. These Conservatives across the way, Mr. Speaker, would tax the sick as the Liberals did in 1967. They would tax the sick — the people least able to pay, Mr. Speaker.

Conservatives cannot be trusted with the management of our natural resources and

they certainly cannot be trusted with the health care of the province of Saskatchewan.

Now in Saskatchewan we have a very low rate of unemployment compared with other provinces in Canada. Why is this so? Why do Conservative Ontario, Conservative Manitoba and Social Credit British Columbia and the Maritimes have such high unemployment? One of the reasons is that their philosophy is to rely entirely on the private sector to create jobs. As a matter of fact at the Premiers' Conference held recently in Ottawa, premier after premier with the exception of our own Allan Blakeney said, leave it up to the private sector — leave it up to the private sector they said, and the problem will just go away; it will disintegrate and go away. Many people in Saskatchewan, Mr. Speaker, remember the 1930's and the then Conservative Prime Minister Bennett who said we should leave it up to the private sector and for 10 long years the people of this country languished with high unemployment and no jobs available — young people riding the rods desperately begging for jobs but none were to be found.

The economy virtually stood still for 10 long years. It stood still while many people languished in austere poverty. They languished in poverty while Conservative Prime Minister Bennett said leave it up to the private sector. The problem was finally solved by the World War II.

Many people in Saskatchewan remember those days of the 1930's; they remember them very well but I want to remind some of those who don't remember that they should review their history and draw some lessons from the 1930's. They should draw some lessons from history because the premiers of this country are saying exactly the same thing now as they did in the 1930's — leave it up entirely to the private sector and our problems will just go away. I just don't believe that is good enough, Mr. Speaker. It is not good enough and it just won't wash with the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK:— In our province we are taking concrete steps to ensure that our low level of unemployment stays at a very low level. In this Budget 4,400 new jobs will be created as a result of stepped-up capital works projects in Crown corporations; projects to build hospitals; projects to build recreational facilities and projects for university facilities, oil development and power development and so on. These are concrete steps that will put people to work and create employment.

As Premier Blakeney said at the Prime Ministers' Conference, 'jobs today and energy tomorrow' and I believe that he is right. If only the other provinces would follow suit; if only the federal Liberals and Conservatives would learn from history which I know is a futile hope, Mr. Speaker, because they will never change. The international corporations to whom they owe their heart and soul will not allow them to change.

There are other incentives in this Budget to keep our economy buoyant — small business assistance. Property income tax rate for small businesses has been reduced from 12 per cent to 11 per cent; four new programs have been started to assist small businesses to develop including a Main Street Improvement Program and an Industry Technical Assistance Program. The Youth Employment Service funding will be increased to \$1.2 million; \$500,000 is earmarked for helping high school students gain employment. Funding for the Employment Support Program will be increased 72 per cent reflecting the government's desire to see people working rather than being on welfare.

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Mr. Speaker, on every front while other provinces are cutting back, while other provinces have high unemployment, Saskatchewan is forging ahead — forging ahead on all fronts. I believe the people of Saskatchewan will support this Budget now and in the next election.

The opposition opposes this Budget, Mr. Speaker. I oppose the opposition and support the people. I support this Budget.

SOME HON. MEMBERS: Hear, hear!

HON. R. ROMANOW (Attorney General):— Mr. Speaker, it gives me a great deal of pleasure to take part in this Budget Debate. I want to say that which has been said I think many times over, not only inside this Chamber but outside the Chamber, and that is that the Minister of Finance, the member for Regina North East, Mr. Smishek, probably has brought down one of the best budgets that the people of the province of Saskatchewan have seen in a long time. I believe that the Minister of Finance has displayed a degree of diligence and hard work. He does this, I think, characteristically, no matter what portfolio he tackles, but certainly in this area a hard amount of work and diligence has gone into what I think has produced probably one of the best budgets in the history of the province of Saskatchewan. All of us congratulate him for that.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— Mr. Speaker, that in itself is a very significant accomplishment because these are very difficult times in which to govern a province. These are very difficult times in which to govern a country indeed. I suppose, a country of ours, one that's made up of a confederation — 10 provinces, problem of inflation, problems of unemployment (perhaps no problem of unemployment here in Saskatchewan), problems of national unity, questions of western alienation — which I think sometimes we tend to overlook in the debate about Canada, thinking only in terms of the French Canadian language problem, and that's a serious one to be sure — but one where we need to look at a broader horizon in terms of western alienation. Yes, Mr. Speaker, these are very difficult times — inflation, unemployment, national unity, a number of other problems. I know, some will say that under the NDP here in Saskatchewan we have the lowest unemployment in Canada and things are going well. We don't need to worry. Some will say the French Quebec problem, that's a Quebec problem. We don't need to worry. I don't agree, Mr. Speaker. These are times which demand perhaps a higher degree of leadership, both within the province of Saskatchewan and the Dominion of Canada than we've ever had up to now — leadership which has its eye on the problems, both as a nation, leadership which has its eye on the problems of a province making sure that there's an orderly development in job creation, opportunities and a sharing of the wealth and a redistribution of income and opportunity for all if this country is going to survive. This is not a time when people take the question of the leadership and somehow dismiss it as not being an important aspect of political process. Mr. Speaker, leadership in Canada today and in Saskatchewan is probably more important than it has ever been in a long time, especially if this country is to remain united.

Mr. Speaker, I think we in Saskatchewan are fortunate not only to have a good Budget today but we're fortunate to have leadership, leadership for the province's future, leadership to tackle the problems of Canada for tomorrow under Premier Blakeney and his leadership in this province.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— You know, there has been a lot of talk in the last two and one-half years, since the 1975 provincial election, about leadership. There has been a lot of talk about elections. Sometimes you run a speculative story somewhere talking about all of the Conservatives coming up a little bit and the Liberals are falling down a bit, or quite a bit depending on whether you are listening to a Troy or an NDP and sometimes the Liberals are going up and the Conservatives are falling off. You hear that around Saskatchewan. No doubt about it, Mr. Speaker. But you know what you also hear invariably as you go around the province? You also hear invariably that there is no other alternative to the leadership of Premier Blakeney when you compare the leadership of the other parties.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— Somebody will express a momentary concern about seat belts, or a momentary concern about lotteries, or a momentary concern about the kinds of problems that government runs into day in and day out and in the end result when you ask him, yes that's true, but who would you want to have as Premier of the province of Saskatchewan, the answer is almost to a man — Premier Blakeney.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— Little wonder, Mr. Speaker, a man of integrity, a man of unparalleled intelligence, a man of experience, 16 years or so in the House, governing, during the good times and during the difficult times, Mr. Speaker. Sure, he makes his mistakes. Sure, we as government make our mistakes. We are going to make mistakes as government, but the fact of the matter, that in Premier Blakeney this province is very fortunate in not only having an NDP Budget of this nature, but a leadership which is virtually in some ways unparalleled with respect to its vision for this province and this country, especially when you dare to compare it with the alternatives.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— What would we have if we had the Liberal Leader and the Liberal Party as Premier of the province of Saskatchewan?

I say, Mr. Speaker, we would have a party which has fallen into disrepute and almost every part of Canada except a little hold, the stronghold in Quebec in trying to hold onto some other areas. We have here a party which is a party of big business, a party of large business and large corporations, a party which does not seek to mold public opinion, does not seek to lead, to define the problems of this province and to work at the solution of those problems . . . (interjection) . . . No, but a party that follows public opinion almost on a daily basis. I think we are entitled to say in Saskatchewan that if we had a Liberal leadership in government ever in this province — and I don't think we need to worry about that for a few years — we would be able to judge by the kinds of things that they did when they had the chance to govern. My colleague from Saskatoon who just took his chair before I rose talked about deterrent fees; that's a government that acted; that's a Liberal Party. A government that enacted Bill 2 shut down collective bargaining. Oh, I know that SGEA and the boys are striking now and having a dispute with the government. You talk to them and no matter how angry they may be with the collective bargaining process at least one thing they know under Premier Blakeney they've got the right to strike at a collective bargaining operation and under Liberals that was taken

away.

Closing down small hospitals, giving away resources — the member for Indian Head knows all about giving away resources, the Hatton Gas Fields, the sodium sulphate deal, one cent a ton for sodium at SEDCO, one cent a ton, now something in the neighborhood of \$25 to \$30 a ton, Mr. Speaker — giving away the resources; it's all in the record.

Oh, I know, the press says you keep on talking about those old times and some of the Liberal boys try and say that's another government you know, not our government. Mr. Speaker, this is a Liberal Party; this is a Liberal leadership, inexperienced, dedicated to a dogmatic conviction to private enterprise, locked together with the large corporations of our country, one that follows public opinion and has not the courageous strength to stand up to the issues that meet the province. No, Mr. Speaker, no matter how much they may be concerned about this government of today, the New Democratic Party government, no matter how much they may be concerned, Mr. Speaker, I want to tell the member for Indian Head, they will never take the Liberal leadership back in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— I guess there is something nice about having a true and sure and safe and reliable, predictable old friend, like you have in the old Liberal Party here in the province of Saskatchewan.

Now, Mr. Speaker, we also have a new predictable or unpredictable friend. Well, I'm not so sure you can call it new or even call it so much a friend in Saskatchewan politics. It's an old party. Saskatchewan people much older than I remember the PCs in the 1930s. Oh, yes, the member for Saskatoon Eastview and member for Moosomin they laugh because that's their only self defense in this House from the embarrassment that they know the PC Party brought on the history of the province of Saskatchewan. They remember those four years as if somehow this is a different crowd, as if somehow this is a different situation. Mr. Speaker, I say that it is not. I say that it is not. In the 1930s we had a political movement in this province that was involved in probably the most insidious kind of a campaign against many of our people in the province of Saskatchewan that history has ever seen. And I ask the member from Eastview, the Liberal member, to deny that. Today, now, we see this old predictable friend rising again the PCs, not rising as much as some of the boys think that it's rising .. the same kind of tactics of name calling. Yes, name calling the Leader of the Conservative Party is in his chair. He wasn't here yesterday or the day before yesterday when the member for Prince Albert-Duck Lake made the speech about communism in Cuba and the fact that a few of the members on this side went on a Cuban holiday. I've got to warn everybody in Saskatchewan don't go on a Cuban holiday or you are going to incur the wrath of the PC Party who somehow in its worst demagoguery will call out McCarthy-like tactics to bring this matter to an end. That's the same tactic that was there in the 1930s. That's the same kind of a tactic, with a different label and a different kind of an enemy, as in the 1930s.

What about the member sitting behind you who talks about filthy hospitals? He doesn't care if he maligns every hospital in the province of Saskatchewan. He'll sit there for two days and will never, never, withdraw the remark. The same kind of a tactic. Never withdraw the remark. We passed a resolution in this House, ultimately to bring it in. Or the Ranch Ehrlo situation — a blanket accusation that Ranch Ehrlo — or I tell you, as the

Leader of the Conservative Party during the course of the Moore Inquiry into the Prince Albert riot, your blanket accusation that the Department of Social Services was interfering in the administration of justice. Judge Moore himself, Mr. Speaker, specifically denied that as an allegation in the report. Specifically I refer you to page 43 of the report.

Mr. Speaker, this is the trend that we are seeing. In government we don't have in recent history how to judge the PC government. I think we can go back and some of the old timers will go back to the 1930s but I want to tell you, Mr. Speaker, and you don't have to go back to the 1930s but the Minister of Municipal Affairs remembers. All right, you can go to other provinces. You can take a look at what happens when a PC government takes office in Manitoba. This is exactly what's going to happen here, Mr. Speaker, if it takes place. Yes, the member for Saskatoon-Sutherland (Mr. Lane) is making a signal to me that the throats will be slit. The Conservative member for Sutherland says that the throats will be slit and never truer words or actions were spoken than by that member for Saskatoon-Sutherland. That is exactly what they did, Mr. Speaker.

Well, in Manitoba they bring in their corporation friends — Conrad Riley, President of Dominion Tanners Limited, President of Canadian Indemnity Limited, Director of Canadian Imperial Bank of Commerce and Monarch Life. He is going to have a task force on what to do with civil servants' jobs. He is aided by one William McCats, who is on the Great West Life Assurance payroll. He is going to help the minister do what they are going to have to do with the slitting of the throats that the member for Sutherland says, slitting of the throats of the civil servants.

Mr. Speaker, in four months of government in Manitoba, the PCs have fired three deputy ministers, before they even took office they fired them. They fired six deputy ministers by January 21, fired 78 planning people, laid off 700 people and now the Winnipeg Tribune says that what they are going to do is that they are going to lay off — here it is: "Massive government job cuts may affect 1,200 more workers." That is what they are going to do. No, the member for Saskatoon-Sutherland wasn't joking when he showed me the sign of slitting the throat, Mr. Speaker. That is exactly what they did in Manitoba, the PCs. That is exactly what they would do to the civil servants if they ever should be elected in Saskatchewan and we must not allow them to get away with it.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— But, Mr. Speaker, the thing that I find the most amazing is the touch of arrogance of a party which is still by and large a third party. They can argue that whatever way they want, but even if they are the second party it doesn't matter — a touch of arrogance. The kind of the intimidation aspect of the Conservative Party, which bothers many of thoughtful Saskatchewan people. The Leader of the Conservative Party laughs at this.

You know, Mr. Speaker, there is something which has not received much coverage anywhere in the province of Saskatchewan, but I think should. The headline in the story in the Prince Albert Daily Herald is dated January 26, 1978 and it says, 'An Explanation is Needed'.

Now, Mr. Speaker, I want to give a little background on this. On or about December 16, 1977 the Prince Albert Daily Herald ran a story that the PC Leader, Mr. Dick Collver, had offered his resignation to the PC executive caucus. The story in the Prince Albert Daily Herald had quoted the source of the story as being a provincial PC executive member,

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I don't know if it's right or if it is wrong. I don't care whether he is going to resign or he is not going to resign; that is not the issue or the point of my story. The point is, the story was run by the Prince Albert Daily Herald in those terms. According to this article on January 26, somebody called the Prince Albert Daily Herald. I think the best way to do this, Mr. Speaker, is to read the report. Quote:

The day after publication of the story the Herald received a telephone call from a person identifying himself as Paul Rousseau. It is understood Rousseau is the party's finance chairman, who will be seeking a nomination in the next provincial election. The caller demanded that the Herald identify its source of the information on the Collver story. When the demand was not met, what followed on the caller's part might best be described as threatening and abusive. 'We will get you and we will get the Herald', the caller told the managing editor. The conversation was terminated almost immediately.

Now, Mr. Speaker . . .

MR. COLLVER:— On a point of order, Mr. Speaker.

MR. SPEAKER:— What is the point of order?

MR. COLLVER:— The Attorney General is reading into the record only a portion of the article and is not reading the last part of it . . .

MR. SPEAKER:— Order, order! The member does not have a point of order.

MR. ROMANOW:— Mr. Speaker, I am glad that the Leader of the Conservative Party rose because I am not finished from quoting from this article, because, Mr. Speaker, there are some funny things which took place in this article, as well, not the least of which is and the story says as follows:

The incident was related to local PC candidate Dick Spencer, who raised it with a Conservative member for Prince Albert-Duck Lake, Garnet Wipf. Sometime later Wipf contacted the Herald to inform us that he had personally chewed out Rousseau, up one side and down the other.

Now, I think, Mr. Speaker, that apart from the fact that that would be an interesting episode to watch, the member for Prince Albert chewing up and down Mr. Rousseau, or chewing up and down the Leader of the Conservative Party. Nevertheless the story says that, but the Leader of the Conservative Party just denied that when he got up and interjected. Why would Mr. Wipf chew out Mr. Rousseau if he is innocent in this operation?

Now, Mr. Speaker, the records also go on to indicate that a telephone call can be traced from the PC caucus on the date in question, in the time in question, made to the Prince Albert Herald, and I can only conclude the way the Prince Albert Daily Herald story concludes, quote:

Because of the implications for the news gathering process for this newspaper and others in the media, we believe it is absolutely essential for the Conservatives to provide some definite answers. This can only be achieved by an admission from Mr. Rousseau that he did place the call, or

some conclusive proof that he did not place the call.

Neither has come forward. Now, my point is this, Mr. Speaker, my point is this. I have been in politics for 10 years and I have never gotten into the situation where someone gets up to say, 'we will get you and we will get the Herald'. And what I don't understand is the silence of the news media in the other parts of the province of Saskatchewan, because if a party does this in opposition, Mr. Speaker, I shudder to think what they would do if they should ever become a government in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— But make no mistake about that, Mr. Speaker; leadership, the province knows about; integrity, the province knows about; experience, the province knows about; intelligence, the province knows about, Mr. Speaker, and in the end result I have no doubt whatsoever that if the election is called in June, 1978 or June, 1979 Premier Blakeney is going to be returned once again as the Premier of this province.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— Now, Mr. Speaker, in a very few hours from now, in fact in a very few moments from now, this Legislature is going to be voting on this Budget. The Liberals and the Conservatives are going to be voting against it, they said so. They'll be voting against 5.5 point decrease in the personal income tax. They will be voting against per cent decrease in the corporate income tax. These friends of business are voting against the assistance to business. They are going to be voting against \$30 cut per dependent child. They're going to be voting against a reduction in an increase in the Property Improvement Grant and they're going to be voting against a revenue sharing formula which the president of the SARM, Mr. Boyd Anderson, himself described as an historic first for the province of Saskatchewan, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— Mr. Speaker, there are many other provisions in this Budget which have been discussed at length but I say, Mr. Speaker, that that vote against the Budget by the Liberals and the PCs is a vote against Saskatchewan's future and the people of this province, Mr. Speaker. That's what they're going to be doing when they vote against the Budget. I want to say to the province of Saskatchewan with that kind of leadership displayed, why couldn't they acknowledge — I think that everybody says this is an excellent Budget and I think that is universally admitted; there are some problems and difficulties, no doubt, but it's an excellent Budget — why couldn't they have exhibited leadership, have gotten up and said, yes we support you Premier Blakeney in this Budget but they didn't. They stood up to oppose it.

Mr. Speaker, I want to make one point. It's been made and it has to be made over again. You can't give tax cuts unless you get revenue from somewhere. Mr. Speaker, we're getting that revenue from our resource policies and oil and potash and mining and the Liberals and the Conservatives oppose us in getting that revenue from the oil and potash and the mining interests in the province of Saskatchewan. Mr. Speaker, you can't give a tax cut of some \$50 million or more without getting revenue elsewhere. You can't give more and you can't create jobs and you can't get involved in this kind of an expansionist Budget unless you get money somewhere. Mr. Speaker, the policy of this government is to get the money from the multinational resource companies of this province. There's no doubt about that. We hold the position, we hold the point of view

that the resources of this province belong to the owners of that resource. That's you, that's me, the people of this province. That's who gets it, not your friends in the oil industry or the potash industry. You, me, all of us, we get the revenue. That's our cornerstone. We say there's got to be a fair return. We've to make sure that we are trustees in the management of those resources that we conserve for future generations. We've got to make sure that we develop it within a sense to the environment.

Those are public interest considerations in the development of natural resources which is the cornerstone of any government which is doing a job on behalf of its people, Mr. Speaker. But making a good speech, doesn't bring it about. Saying that you believe in the same things doesn't bring it about. PCs and Liberals who say that they also believe in managing the resources for the interest of the people don't do a thing for us by just simply stating it. It takes action, Mr. Speaker, it takes commitment, it takes legislative action by a government to guarantee that the windfall profits of resources come so that we can give these benefits to the people of the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW:— That means the member for Saskatoon Eastview on Bill 42 that you opposed; that means to the member for Saskatoon Eastview on Bill 47 that you opposed; that means a potash reserves tax which said that the more money the potash companies make, it's only fair that they should be paying more to the Treasury, a tax system which you opposed and the Tories oppose it. That means a resource policy involving potash and the Potash Corporation and Sask Oil. That means an active role guaranteeing that the resources are managed in the interests of the people of the province of Saskatchewan not in the interest of Imperial Oil and your big business friends. That's what it means.

MR. CAMERON:— Half truths.

MR. ROMANOW:— Mr. Speaker, the member for Regina South says half truth — It is not a half truth. He has opposed consistently every one of these moves that this government has taken with respect to resources in the province. You too have consistently opposed it.

Mr. Speaker, you can't get into the kind of situation where you present a budget like the Budget presented by the Minister of Finance unless you get money from somewhere. That money's got to come from the resource companies. You can't be like the PCs who say they're going to sell back the Potash Corporation to their 50 friends. You can't be like the PCs who are going to set up this club of the fabulous 50s, who are going to run the Potash Corporation. That, Mr. Speaker, is putting it in the PC Manitoba league. That means cutting back on government expenditures and stimulating the private sector — that's what it means.

Mr. Speaker, make no mistake about it — when the PCS and the Liberals talk about restraint in government, they're talking about the Ontario budget. They're talking about a budget which taxes people on health care premiums and cuts back on taxes for the mining companies. That's restraint and stimulation for the private industry. When the PCs say that that's what they're going to do if they ever should be in power, Mr. Speaker, I guarantee the province of Saskatchewan that we will see either deterrent fees or a reimposition of health and medicare premiums implemented in their very first year in office if they should be there or as the Minister of Finance says from both. They've

already intimated they're going to do it. The member for Rosetown-Elrose who I, personally, think is a very strong asset to the PC caucus — I think he is one of the very few there who can articulate a strong position for the PCs. He's one of the very few there who has at least a philosophy in this area. He's one of the very few who can take part in debate, hit hard and get hit hard and not take it personally, unlike the other guys in the caucus over there. The fact of the matter is, Mr. Speaker, that he did say, on behalf of his Legislative Assembly group, that as far as he was concerned many people in the province would be willing to pay \$10 a day for a hospital bed. That's what the PCs said. In 1974, the PCs talked about hospital treatment generally. They talked about a plan to discourage needless medical treatment, by the candidate in Yorkton, one Dr. Ivan Dock(?). I won't read the details of it but that's . . .

MR. WIPF:— Read it.

MR. ROMANOW:— Well I shall. The Conservative invites me to do that — I will do it. I'm going to read a portion, quote: "Dr. Dock (?) told the meeting they favored some measure to curtail needless medical treatment. He praised former Liberal Premier Ross Thatcher's bravery in introducing the utilization fee" end of quote. How can you rebut any further the leader of the Conservative Party? Everything is a misquote to him. They didn't say that. I know that the member for Thunder Creek, who is the son of the late Premier, has strong views on deterrent fees. I'm sure that if that ever should come about when a PC government is formed in Saskatchewan — I think it a likely prospect — that that would be the way that restraint in government and stimulation of the private enterprise operation would be involved with respect to the people of Saskatchewan.

Mr. Speaker, I want to conclude by saying, for the people of Saskatchewan and to the members of this House, that come this next election, whenever it comes, there are going to be two central issues: leadership and ability to lead this province and assist in this great ongoing resource debate and also it is going to be the issue of resource policy, who gets the benefit from our resources and how are they distributed. We know the PCs are opposed to the Potash Corporation and the Liberals are opposed to Bill 42 and so forth across the line. Those are the two issues you're going to have to answer, boys. You know, some of the press people say to me, Mr. Speaker, this Budget is so good surely you're going to have a June election in 1978. Well I want to tell the member for Eastview that I, for one, would welcome a June election in 1978, provincially, on this Budget and on the leadership issue. I tell you, Mr. Speaker — I tell the member for Eastview, your misery is still going to have to last a little while longer in this Legislature, because if you think this Budget was a good budget, I would like to have one more year to show the people just one more time what resource policy can do, in the next budget, Mr. Speaker, upon which the election will be fought.

I say, Mr. Speaker, when the battle lines are drawn, when the battle lines on leadership and ability are drawn, when the battle lines on resource policy are drawn, when the people of Saskatchewan have to choose between Blakeney and the other two, when the people of Saskatchewan have to choose between resource policies which distribute the benefits for them or give the benefits to the multinationals, I have no doubt whatsoever, Mr. Speaker, they're going to vote like I'm going to vote today on this Budget, and that's Yes to Blakeney and the NDP.

SOME HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, it's rather interesting.

The Attorney General has one job or one task for the NDP. He never, ever, has the responsibility of talking any common sense economically in the Budget. He doesn't have any responsibility to talk about anything, his job is to rally the troops.

Now, Mr. Speaker, we've found that the NDP have been so downcast. In the Fall Session it was almost like you could throw the bomb, but they were so downcast and so depressed they have watched their support dwindle and erode to such a degree that now a year and one-half away from a budget they are coming in with what they think an election Budget. We have to try and bolster up the troops. We've got to try and save the downfall. Today we get the Attorney General coming in and you know what he did? He said, my God, the NDP is in such a bad position in Saskatchewan that we had better not talk about the socialists, we had better not talk about the NDP, we had better try and talk about Blakeney.

You remember how they did in Manitoba? When they were on their way down, straight down, they ran the whole election campaign on Ed Schreyer. They tried to save the NDP in Manitoba by running it on Ed Schreyer. They tried to save the NDP in British Columbia by running it on Bill Barrett, but I am going to tell the Attorney General, you are going to have to run the next election on the NDP philosophy and people are not going to buy that kind of nonsense that you tried to display today.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD:— You know, Mr. Speaker . . .

MR. MESSER:— What did the Liberals do . . . ?

MR. MacDONALD:— The Liberals have not been a factor there, Jack. You just watch what we are going to do. We are going to have an opportunity to test it federally in about two or three months in the province of Saskatchewan. You just watch. I also ask you, you watch what happens to the NDP in Saskatchewan in this federal election. You just watch. They may be annihilated, the NDP federally, and not only that, you boys know it. You are very scared. Federally you are scared. Why didn't the member for Regina Victoria (Mr. Baker) run federally? Why he was all ready to go. He was the great NDP white hope in Regina Victoria, or in Regina East or wherever it is. Then he decided, oh, oh — well Henry only goes with a winner and he knew he was a loser and he knows the NDP is losing and that's why he didn't go and that's why the Attorney General today got up and he gave that great speech.

I am going to tell you something. Stick together, stick together? Listen, I am going to tell you something. You watch us stick together because we are going to elect the member for Regina South and we are going to elect the member for Regina Wascana. You see if we stick together, Mr. Member for Tisdale (Mr. Messer). Don't ever kid yourself. You just watch.

Mr. Speaker, it is rather interesting. The NDP is really proud of this Budget. You know it was rather interesting the last couple of days. The last couple of days they were beginning to get a little sensitive. Like the Minister of Social Services and the Minister of Education — they are a little — oh, 16 cent Rolfes. I am going to tell you, the member for Eastview (Mr. Penner) is going to send up that nickname to the city of Saskatoon. Remember six buck Adam? Well 16 cents Rolfes is going to have a lot harder time trying to explain that to the city of Saskatoon.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD:— But, Mr. Speaker, I want to tell you something. A close analysis of this Budget makes it rather interesting. First of all they start off by saying they are so proud of the tax reductions. Mr. Speaker, I am going to say to you today that there were no tax reductions. There were tax shifts and increases in taxes because what they did they took the taxes off the income — 5 percentage points, and you know what they did? They put it on the Crown corporations and public utilities and I say that the average family in the province of Saskatchewan is paying \$150 more for power, for gas, for telephone, for Saskatchewan Government Insurance. \$150 more for a family and in some cases much more, Mr. Speaker. They turn around and say, why we have reduced the tax burden. I am saying, Mr. Speaker, it was a very clever and subtle tax shift. A shift, Mr. Speaker, and unfortunately, when you shift the taxes from the income of people where it is progressive, the more you get, the more you pay, you turn around and you put it on the old and the sick and the halt and the people on fixed incomes, it is a very regressive way of trying to gain the revenues for the province of Saskatchewan.

I say, Mr. Speaker, let's have a look.

Saskatchewan Power rates went up 102 per cent. You don't have to ask the people of Saskatchewan. They are aware of this. Every month they get the power bill they know how much the power went up. Fifty-seven per cent in electricity in the last two years, Mr. Speaker. Telephones up another 8 per cent. The minister in his Budget speech gets up and he says, we are going to hold the line on power rates — no increases. That's an insult to the intelligence of the Saskatchewan people because he just finished raising them . . .

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD:— . . . in September, Mr. Speaker, by something like 21 per cent. No, Mr. Speaker, I am saying that there were no tax reductions in this Budget. It was a tax shift and a vicious, vicious tax shift, the most vicious that we have seen any government do.

Let's talk about even the camouflage and I say camouflage tax shifts that they brought in because they were camouflaged. What did this government do? They said, we reduced the income tax 5 percentage points. Mr. Speaker, it is only a couple of years ago that the provincial income tax in the province of Saskatchewan was 40 per cent of the federal, 40 per cent. This year it was 58.5 per cent, the highest in the Dominion of Canada. Mr. Speaker, not only did they have to, the professional man and the person on middle income and the person that was in business was leading the province of Saskatchewan in droves because of the high income tax rate. And then they turn around . . . (interjection) . . . yes, the only person and I'll tell you I am going to talk about job creation and population in a minute as well. You want to talk at the acid test. That's right, the old acid test.

Then we turn around, Mr. Speaker, and then you talk about the corporation tax. They reduced it 1 per cent. First of all they increased it to such an extent that it was one of the highest in Canada. They made war on business; they've insulted every businessman that's associated with any kind of a national or international corporation and now because nobody will develop business, we haven't got a new potash mine in this province since the NDP came into power; we've got no oil exploration since they came

into power; we've got no pulp and wood development in the free enterprise since the NDP came into power. We have not got one single major industry of any type or description in the province of Saskatchewan since the NDP got into power in this good province.

No, Mr. Speaker, no, there were no tax reductions and then they turn around and they give their little goodies away, their little goodies. They raised the utility costs of senior citizens \$150 and they give them 16 cents a day, 16 cents a day, Mr. Speaker. That is insult or adding insult to injury and the senior citizens in this province will soon know exactly what \$5 is worth and they know exactly, also, what their power utilities and bill are. No, Mr. Speaker, it's an insult to suggest that the NDP lowered taxes in 1977. What they did is they shifted the burden from a progressive form of taxation to a regressive form on the public utilities of Saskatchewan and you only have to look at the Budget. The \$15 million — imagine, Mr. Speaker, raising taxes, raising power rates and telephone rates when they're making such a large profit. They're taking a dividend into the general revenues to make up for the taxes that they're supposed to have reduced. Mr. Speaker, I say to you that that is not a tax reduction, it is a tax shift and one of the most vicious camouflage jobs that's ever been done to the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD:— Mr. Speaker, the other part of the Budget, what do they talk about? They talk about natural resources. And you know this Budget Speech, Mr. Speaker, is just filled with plaudits and compliments about resource management and the great rate resource policy of the NDP government. Mr. Speaker, I am going to tell you, that the resource policy of the NDP has been an absolute failure and I'm going to ask anybody to assess it. Mr. Speaker, normally when we talk about a resource or a policy, we look at it from these measurements. We look at it, first of all, for the idea of growth. We look at it from the idea of jobs. We look at it from the viewpoint of investment and then we sometimes look at it at the revenue. The only thing that the NDP can say about resources is that they're getting more revenue and I should say they're getting more revenue, so is Alberta, so is Uruguay, so is Russia. The oil revenues in the province of Saskatchewan are no different; they've all shot up. They've shot up in the north; they've shot up in Alaska; they've shot up in Alberta; they've shot up in Venezuela; they've shot up in the OPEC countries, of course they have. In fact, Saskatchewan isn't even getting the world price and the other countries are getting more.

Mr. Speaker, the second thing — let's look at the other measurements. As far as the number of jobs in the oil industry in the province of Saskatchewan, there are not only fewer, they've almost been reduced to nothing. And the reason is that it's the kind of bungling that they do in the resource management for an example. The oil industry today in Saskatchewan is at a complete standstill, Mr. Speaker, because the Minister of Mineral Resources hasn't even published the tax rates under Bill 47. No, Mr. Speaker, the resource policy in oil development is a complete failure, look at it in potash. In 1971 there were six mines in the province of Saskatchewan that were ready to expand their production, major expansions, Mr. Speaker, multimillion dollar expansions. Since the NDP has taken over not one of those companies has expanded, there has not been one new potash mine. Under the Liberals there were nine. There hasn't been one new potash mine; there hasn't been any oil exploration. The production is down from about 88 thousand barrels to about 60 thousand barrels. Mr. Speaker, the number of wells drilled, the number of people employed, the number of wages that are paid, in every measurement that you can think of, Mr. Speaker, the NDP resource policy is an absolute failure with the exception of revenues that they had absolutely nothing to do

with. And I tell the Minister of Finance and he says, oh, but we set the tax rates. Oh, yes they did set the tax rates, of course they did. Every province — Alberta is getting billions of dollars from resources. Do you know what happened? They were so greedy and so vicious that the very thing that they are proud of — and listen to the Attorney General. They get so excited and nervous whenever you talk about resources. They were so vicious that that's the responsibility and the reason that your resource management is such an absolute failure.

What about jobs? If you can believe you could invest \$350 million to \$400 million in industries in the province of Saskatchewan and have less jobs when you finish investing the \$350 million than you did before you invested it, and they say to me that that is a successful program. I say it is an absolute failure and they should be ashamed of themselves, Mr. Speaker. If that is what you call resource management. No, Mr. Speaker, there is just no question when you turn around and take the resource policy of the NDP government, it has been an absolute failure with the one exception of revenues and let nobody, nobody argue that, that the revenues from resources in every country and in every province in Canada and in every country in the world have gone up at almost the same level as they have in the province of Saskatchewan or more, Mr. Speaker.

Let me give you another example. We phoned Saskatchewan Power Corporation, today, and we said what do you pay in Saskatchewan for an MCF of gas? They said, 35 cents is the cost approximately for SPC wells to produce it. What do you pay to the private producer? Anywhere from 15 to 35 cents per MCF. What do you charge the senior citizen? \$2.56 and do you know what you charge the IPSCO and the potash mines — \$1.43. You call that a return to the Saskatchewan people. All I am saying, Mr. Speaker, that resource policy is a very, very bad failure.

Now, Mr. Speaker, I want to talk about one more thing. This particular Budget was also supposed to generate jobs and all kinds of jobs. Well I am going to tell you, Mr. Speaker, it needs to start to generate some jobs, because since 1971, in the Statistics Canada, in 1976 here is what it is.

MR. ROMANOW:— . . . jobs.

MR. MacDONALD:— Yes, but I don't believe your figures. I am talking about your job figures. Here is the population — in 1971 there were 926,242 people; in 1976 there are 921,323. There were 5,000 less people after five years of government in the province of Saskatchewan. I just went out and got the latest Statistic Canada. The last Statistic Canada estimated in April 1977 — 935,000, an increase of 9,000 people — and that is only an estimate. Up until 1976 you were 5,000 less than you were in 1971 and we had the lowest unemployment in Canada in 1971. Where are all these jobs? The only jobs that have been created in the province of Saskatchewan are civil service jobs, those are the only kind. Where are the rest of them? Where did you get the people?

Now, Mr. Speaker, I will give you another example. They talk about construction and here it is. The employment and earnings in the non-agricultural industries in Saskatchewan, it says in 1968, based on the index 100, there was 131.7, 31 per cent over a 100 based from 1960 from your Budget Speech, on page 51. Look it up. And then you turn around and in 1969 — 106. Do you know how many people are working in the construction industry — 2.4 per cent more than there were in 1961. That is the kind of success that you want.

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No, Mr. Speaker, this Budget is a very clever camouflage, cosmetic. The Liberal financial critic called it 'the lipstick and rouge approach' because it covered over all the evils. It flowered things up and made it look as though there were some tax reductions, when in reality it was a vicious tax shift. It turned around and made it look like the resources in the province of Saskatchewan were expanding and growing and developing, but instead of that, it was the exact opposite.

No, Mr. Speaker, I say that the resource management policy is a dead policy. I say that this Budget is a bad Budget. It does not reduce taxes, instead it shifts the taxes in a very regressive form to people who can't afford to pay them.

Mr. Speaker, I will not support the Budget but I will support the amendment.

SOME HON. MEMBERS: Hear, hear!

MR. R.L. COLLVER (Leader of the Conservative Opposition):— Mr. Speaker, due to the fact that previously negotiations had been arranged between all three parties to enable me to have 30 or 35 minutes to speak and since we don't have that length of time, I wonder if it would be possible, by leave of the Assembly, if we stopped the clock at 4:12? Would that be possible?

MR. SPEAKER:— Order, order!

The rules about the conclusion of this debate are very specific and are laid out in the rule book and I hesitate to even put that question to the Assembly, that I ask their leave to suspend that rule because it should apply to everybody and everybody is aware of it.

MR. COLLVER:— Thank you, Mr. Speaker.

I was very pleased, Mr. Speaker, to hear the member for Indian Head-Wolseley (Mr. MacDonald) just now speak about the Liberals sticking together in the forthcoming federal election. We are convinced that they will stick together and that they will undoubtedly enact the same kinds of policies provincially that they enact federally and I am sure the people of Saskatchewan will be interested to hear that that sticking together between the provincial Liberals and the federal Liberals and the similar kinds of policies will in fact occur.

As a matter of fact, Mr. Speaker, that brings me to exactly what the Attorney General was speaking about today and that is leadership. This is what the province of Saskatchewan is looking for. This is what in fact, Mr. Speaker, the country is looking for, leadership.

Now in reality, Mr. Speaker, there are two kinds of leadership or leadership towards two ends that are absolutely essential if we are to have the kind of society that all Canadians want to have. One is economic leadership. This is what the member for Indian Head-Wolseley and the Attorney General were talking about today — economics. They spent all their time talking about so-called economic leadership. Within the last few days our member for Qu'Appelle (Mr. Lane) and our member for Thunder Creek (Mr. Thatcher) have proven beyond any reasonable doubt that the economic leadership of the present Premier, elucidated in 1972, is a blatant and complete and total failure.

Mr. Speaker, I would like today to talk about another kind of leadership and that's moral

leadership. Where is the moral leadership in the province of Saskatchewan? What kinds of effort does the present government and the present leadership make towards moral leadership?

Let's talk for a moment about the kind of innuendoes spelled out today by the Attorney General with reference to hospital care premiums and deterrent fees on behalf of the Liberals and Conservatives. I am going to table today, Mr. Speaker, an article from the Star-Phoenix dated June 7, 1973 and I will read the headline for the benefit of the members opposite — "Free Medical Care — Part of the PC Package". I am going to table another article, Mr. Speaker, dated June 9, from the Leader Post . . .

MR. ROMANOW:— What year?

MR. COLLVER:— . . . same year, 1973, same year, "Smishek Health Plan Defended" and in that article Mr. Smishek, the then Minister for Health contended that Saskatchewan's joint premium is quite reasonable. He continued to defend the joint premium for the next four or five months and then the NDP introduced the elimination of the medicare premium which we suggested and advocated back in June of 1973. He then introduced it as the PC Party had suggested.

Mr. Speaker, there is no question or doubt that our party's stand is that we do not believe in deterrent fees in the province of Saskatchewan. Furthermore, Mr. Speaker, it is we who have called for the elimination of the unfair premium on the pharmacare program. That's the kind of attack that the present government is using, the kind of twisted words, twisted logic. Where is the moral leadership there? Where is the moral leadership for the province of Saskatchewan when the Premier calls to his convention recently and says that over 124,000 in 1975 and more today, over 124,000 individuals who voted Progressive Conservative are his enemies he said. We know who are our enemies, the Progressive Conservatives. Well I want to inform the members opposite and the members to my right that I don't consider the NDP my enemies. I don't consider the Liberals my enemies. In the province of Saskatchewan we may differ in our views but we are not enemies and any leader who tries to lead his party by calling attention to other people as enemies means that he is dividing those people. Where then is the moral leadership? Where is the leadership there, Mr. Speaker?

Then we want to talk, Mr. Speaker, for just a moment about the logic that we have seen in this Budget Debate from the members across the floor. Here is the logic, Mr. Speaker. The moral leadership that they are trying to provide, Mr. Speaker, is by appealing to people's prejudice, by saying that one PC believes this, therefore all PCs believe this; one PC in this part of the country believes this, therefore all PCs believe this, tarring PCs with what one Progressive Conservative believes. Now, Mr. Speaker, let me suggest to you that that is the same kind of prejudice that was exhibited in the United States as it relates to blacks — one black is wrong therefore all blacks are wrong. That's the kind of moral leadership that is being provided by this government. What kind of threats do they use, Mr. Speaker, when the message of their kind of leadership is being brought to the people? It is the same as the Russian spy episode in Ottawa. Here we have Russian spies right across the country travelling with impunity.

The federal government was warned of these Russian spies two years ago and although they did absolutely nothing until the heat became so hot that they had to get rid of a few of them. Then, Mr. Speaker, because one member of the Progressive Conservatives in Ottawa starts bringing to the attention of the government that there are other Russian spies in our midst, that they are travelling with impunity in our country and that they

should be looked at by the federal government, whom do they attack, Mr. Speaker? They attack the messenger; they don't attack the message.

Let me tell you members opposite and members to my right that shooting the messenger doesn't change the message and the message is that the people of this country want moral leadership as well as your so-called economic leadership. For example, Mr. Speaker, during the recent debate on Bill 47 we see the present government having made a mistake, the decision of the Supreme Court calling attention to their mistake, Mr. Speaker. Who do they attack? Do they look inwardly and say we made a mistake and we are going to change it? No they don't. The members across attacked the Supreme Court of Canada, an institution that should not be attacked in our democracy. Why, Mr. Speaker, why? Because they believe, Mr. Speaker, that their kinds of moral judgments that attacking those institutions will call people away; will take people away from the real facts. The fact of the matter is that that kind of moral leadership is unacceptable to the people of Saskatchewan. They want leadership that is in fact, going to lead the country towards proper morals and not the kind that you elucidate.

Let me give you another example. Here we are treated by the members of the press corps in our country to a very interesting situation in which the chief law enforcement official in our country blatantly breaks the law, admits to it and that is supposed to be O.K. But because he blatantly breaks the law, it's all right and that's moral. That is not moral leadership.

We find the Solicitor General in Canada before that, Mr. Speaker, also charged with the same responsibility of upholding the laws of our land and in all conscience he stated, Mr. Speaker, that he couldn't support the law of the land at the time — the death penalty; he couldn't support it but he was charged with the responsibility. He could have resigned but he did not. He could have resigned as a Cabinet Minister and as an independent individual Member of Parliament he could have stood up for what he believed, but he did not. He stayed on as the chief law enforcement official and said he could not support the law of the land of that day. Now, Mr. Speaker, that is not moral leadership.

The same kind of judgement is being made by our members of the present government in Saskatchewan. We see a situation in this province, Mr. Speaker, where hardened criminals are walking the streets of our communities, endangering the lives of a great many people. What is the reaction of the Department of Social Service? What is the reaction of the Attorney General's department? To mollycoddle the prisoners with special privileges — cross country skiing, canoeing, fishing trips and other such country club activities, when what the people are looking for is for you to uphold the law and see that hardened criminals do not walk the streets of our communities; so that people in our communities can feel safe.

Will we see, as raised by the member for Regina South, a situation in this province where all three parties broke the law in the Pelly by-election? All three parties — some of them broke the law technically, some of them broke the law blatantly but nevertheless no charges were laid. Where is the moral leadership in that kind of approach to your problems?

AN HON. MEMBER:— (Inaudible interjection)

MR. COLLVER:— Mr. Speaker, we asked for that. Charge all three, Mr. Speaker, charge all three. At the federal level . . .

SOME HON. MEMBERS: Hear, hear!

MR. COLLVER:— Oh, here we go. Not the charges but the other ones, that's right, Mr. Speaker, let's investigate the Progressive Conservatives. That's the approach of the present Attorney General. We suggest . . . heckling, inaudible. Furthermore, on this moral leadership, what do we hear from the Attorney General of this province? Three years ago in 1975, here's what we hear from him — Conflict of Interest legislation will be introduced in this Legislature, he said. Individual MLAs will be called to account for their personal holdings. Individual MLAs! Where is the conflict of interest legislation — not been introduced. Why? We suspect, perhaps, because there are MLAs on this side of the House and perhaps on that, that have organizations dealing with the government of Saskatchewan. We say let's have conflict of interest legislation brought into play, now. That would provide the kind of moral leadership that this government is looking for.

Mr. Speaker, I wish to turn, briefly, to another point and that point is with regard to moral leadership — telling the truth at election time. In the federal level we find the federal government, the Liberal Party that goes to the people, we find them going to the people totally against wage and price controls completely against it. As a matter of fact they ran the election on that. I remember the little secretary hiding and freezing behind the block of ice, freezing behind them and yet within six months of that election, introducing wage and price controls exactly what they ran against.

We see exactly the same kind of thing, the NDP presenting legislation to this House on the nationalization of the potash mines when absolutely no mention was made of it prior to the provincial election of 1975. Absolutely no mention was made of the suggestion that they were going to nationalize the potash industry. The people of Saskatchewan had no opportunity to vote on that. They had no opportunity to vote on whether or not your government stood for compulsory seat belt legislation. No opportunity whatsoever. It wasn't part of your program and, therefore, you implemented it after you were in office — serious matters, matters which affect the future of the province of Saskatchewan. The billions of dollars that your government is wasting on these resource developments, your so-called resource developments, when in fact all you get is a piece of paper.

Mr. Speaker, where is the moral leadership in Saskatchewan? Where is the moral leadership in Canada?

We see continued social confrontation. I suggest to you and the member for Saskatoon Buena Vista (Mr. Rolfes) that you talk about morals. The people don't buy that kind of an attack, Mr. Minister. The people don't buy that kind of unsubstantiated attack. They want the kind of leadership that will approach the problems that we have in our country and they approach the problems with moral decisions, not immoral presentations as were made this afternoon by the Attorney General of the province of Saskatchewan. Continued confrontation with civil servants, with oil industry, with the potash industry, with every possible citizen in the province of Saskatchewan. And then we see, Mr. Speaker, a group of farmers who are fed up with the kind of return that they are getting from their produce. Fed up with the kind of taxation increases that have gone on in the province of Saskatchewan; fed up with the kind of power bills they are paying.

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Mr. Speaker, the minister responsible for power bills says the people are happy with the power bills they are paying, and the gas bills they are paying. I suggest to the minister that he get a little closer to the people as anyone elected in a democracy is.

Mr. Speaker, let me turn to one other point on moral leadership, because this is an example, Mr. Speaker, of what is occurring in our province. We see the continued advocacy of abnormal aberration-type sexual behavior on television; the continued promotion of homosexuality on TV; the continued increase of violence and sexual news in movies and this NDP government does nothing, nothing, to encourage, Mr. Speaker, does nothing to encourage the kind of moral integrity that the province of Saskatchewan and the people of Saskatchewan expect from their government officials. For example, Mr. Speaker, there is no sales tax on Playboy, no sales tax on Penthouse, there is no sales tax on other kinds of pornographic publications but in Saskatchewan there is a sales tax on crayons, there is a sales tax on coloring books for children, there is a sales tax on diapers.

Mr. Speaker, we heard the Attorney General earlier today refer to the 1930s, before I was born and before most of the members on this side of the House were born. Members on his side of the House I know were born before the 1930s, most of them.

Mr. Speaker, the present Budget of Saskatchewan doesn't come to grips or even come close to approaching the kind of moral leadership that is essential in the province of Saskatchewan. The government continues, as was suggested by one member of the government in the press yesterday; they think it is a good idea to have the kind of lotteries for bonds as suggested by a member from the Liberal Party. They go on supporting the Western Lottery and the Express and they may take away the rights of individual recreation boards and local community organizations to hold lotteries for their community organizations and then they say at the same time, we support small town Saskatchewan, we support our rural brothers. Well, I say to the member opposite and I say to you, Mr. Speaker, that it is time in the province Saskatchewan where we have moral leadership, where we have leadership that did not play with the truth, where we have leadership that did not have the kind of budget excesses that occur in the present Budget, the kind of thing alluded to by the member for Indian Head-Wolseley where they suggested they were going to have tax cuts and a lovely budget for the people of Saskatchewan and then jack up the prices for gas, jack up the prices for power...

MR. SPEAKER:— I must now under Rule 14(3) to give the Minister of Finance 20 minutes to conclude the debate.

SOME HON. MEMBERS: Hear, hear!

HON. W.E. SMISHEK (Minister of Finance):— Mr. Speaker, I was indeed surprised at the closing remarks of the Leader of the Conservative Party. Mr. Speaker, may I say that the hon. member for Nipawin should perhaps be the last person in this Legislature to lecture us on morality.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK:— Mr. Speaker, I remind him, is breaking the law, The Election Act moral? And you have done it. It's Is that moral? Mr. Speaker, is it moral, is it political morality to have the political leader embroiled in all kinds of law suits, is that the standard for morality? Mr. Speaker, I don't think any of us want that kind of lecturing on

that kind of morality. Mr. Speaker, he is the last person to be talking about morality.

Mr. Speaker, I am reminded last year — he talks about telling the truth — remember the Conservatives making allegations about filthy hospitals? They said they would bring in substantiation, that they will bring in revelations that they will prove and document their case. Was that telling the truth? We are still waiting. Is that honesty? Is that political honesty? Is that the standard that the PCs have? Obviously that is. Telling untruths is politically moral for the PCs. That's his standard, Mr. Speaker. That's not our standard.

Now, I am also reminded just a few days ago about the Conservative Leader, the Leader being quoted in the Prince Albert Herald as saying that he suspected that this Budget was phony. He didn't have any actual evidence yet but his people were checking. More revelations were promised, more information, more documentation. Mr. Speaker, I am still waiting with bated breath. No evidence, is that political morality, Mr. Speaker? That's his standard; that's not our standard, Mr. Speaker.

Mr. Speaker, as I rise to close this Budget Debate, my heart really goes in sympathy to the members sitting opposite. They have had some difficulty in trying to mount an effective criticism and that is understandable. Because this is, Mr. Speaker, an historic Budget. One that, point by point, tackles the problems of our economy. One that, point by point, meets the real needs of Saskatchewan people. Mr. Speaker, the Prince Albert Herald said on March 8th, "It is a difficult Budget to fault, one of the best Budgets in years."

Mr. Speaker, I can feel for the member for Thunder Creek (Mr. Thatcher) and for the Conservative Leader when he scrambles to confuse this House with Alice-in-Wonderland computations to some fanciful figures he calls the 'real' deficit. When you're a critic you have to criticize and when you can't criticize the facts, Mr. Speaker, you have to set up your own straw men to attack but when he is playing this game, Mr. Speaker, I recommend to the member for Thunder Creek not to take advice from his leader. Last year the member for Thunder Creek talked about what the real deficit would be in the current fiscal year. And he repeatedly predicted that we would reach \$100 million. He was wrong, Mr. Speaker. The deficit this year appeared in the Estimates at \$40 million and it will be no more than \$40 million.

The Conservative financial critic is just as wrong in 1978 as they were a year before. Mr. Speaker, I was fascinated by the Conservatives telling us how they would manage the Budget, that they would lower the personal income tax, not to 53, but to 50 points. They would reduce the sales tax; they would reduce the gasoline tax; they would increase spending on agriculture; they would put more money into revenue sharing. Mr. Speaker, they would at the same time balance the Budget. How, Mr. Speaker? Well, that was just a little unclear.

We can find some clues by looking at the Conservative governments in other provinces, Mr. Speaker. Ontario also brought in the budget on March 7th. Ontario is one of those provinces extolled by Conservatives opposite because its personal income tax rate is lower than Saskatchewan's. And what did Ontario do, Mr. Speaker? Well, one of the things they did was to raise its family health care premium to \$528 a year, \$528 a year in Ontario, zero in Saskatchewan. Now this approach would give the Conservatives a great deal of room to move in Saskatchewan because the Ontario health premium applied to Saskatchewan would yield \$156 million, equivalent to 25 Saskatchewan income tax points, Mr. Speaker. We could reduce the income tax rate, not to 50 points,

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Mr. Speaker, but to 28 points, much lower than Ontario's, much lower than Alberta's, which also levies health care premiums of \$169 a year per family. Alberta's personal income tax rate is 38 per cent. Ours could be 28, Mr. Speaker, with Ontario's health premiums.

Mr. Speaker, I am indebted to the Globe and Mail for publishing a little table the other day. It compares, by province, the combined impact of federal and provincial income taxes plus health premiums for a family of four earning \$10,000 a year. For Saskatchewan, they used our old tax rate which I have revised to reflect the reduced income tax rate in this Budget.

Let me tell you what it shows, Mr. Speaker. The Ontario family pays \$1,034. The Alberta family pays \$640. The Saskatchewan family will pay \$326, Mr. Speaker. Taking these three taxes, Saskatchewan stands the lowest in Canada for a family in this tax bracket — one-third the level of Ontario, one-half the level of Alberta, Mr. Speaker. Mr. Speaker, when listening to Tories one should observe not what they say but what they do.

Mr. Speaker, let me turn briefly now to the Liberal financial critic, the member for Saskatoon Eastview. He had predictions about the deficit too, Mr. Speaker. He had done a little research, he said. He'd gone back to 1973 and what did he find? He found that every year this government overestimated its revenues by an average of 10 per cent, Mr. Speaker. Applying that to the new Budget, he predicted the deficit would be \$210 million. Now, that was rather startling to me, Mr. Speaker, because I and my predecessors have on occasion been chided by our cabinet colleagues for underestimating revenue so we did some checking and we found that the Liberal's financial critic had indeed gone to the right sources for his information. Indeed he went to the right place but, unfortunately, he was comparing the wrong figures, Mr. Speaker. When he looked at the revenue estimate for '75-'76, for example, he compared it with the actual revenue for '74-'75 — the year before, Mr. Speaker, and he did that straight through, all the way.

The fact is, Mr. Speaker, that for the whole period we have consistently underestimated revenue by an average of 6 per cent, which blows the Liberal case sky high. The Liberal financial critic needs either a new pair of glasses or a new researcher, or perhaps both. As I said at the outset, however, members opposite had a tough job. I don't fault them for trying but it would be just a lot more constructive if they'd get their facts straight.

One of the facts is that this is the right Budget, at the right time, in the right place. Mr. Speaker, this Budget has struck a note of consensus among the people of this province, which I have not seen before in my political lifetime and that consensus covers a very broad spectrum.

Chamber of Commerce, Mr. Speaker — The President of the Saskatchewan Chamber of Commerce said, according to the Leader Post, "It is a Budget that is very attractive to business. We can live with it." The President of the Regina Chamber of Commerce: "It is an expansion Budget that is needed to stimulate the economy and is a Budget of which I approve." The Regina Downtown Business Association, according to its president, thinks the Budget is a good one.

Working people, Mr. Speaker: A spokesman for the Saskatchewan Federation of Labor, according to the Leader Post, said, directions indicated by the Budget are the kind the province needs.

A spokesman for the Consumers' Association of Canada, Saskatchewan Chapter, called it a healthy move for the economy.

Senior Citizens' Organizations said that this Budget will make a lot of difference to the senior citizens.

Mr. Speaker, a person like the Chairman of the Saskatchewan Committee of the Canadian Bankers' Association, reacting to the provincial government's latest Budget, said it aims in the right direction and could not be criticized. The areas that needed looking after were looked after, he said.

Mr. Speaker, the Moose Jaw Times Herald, in March 8 headlines, said, Local Reactions Positive. Mr. Speaker, a sample of editorial comment: The Star Phoenix called it a smart Budget and ended its editorial with what is certainly a compliment, coming from that source — If Premier Blakeney suddenly called an election, he would be a tough man to beat.

The Leader Post said, on March 8: Yesterday's provincial Budget is a sound one that skilfully deploys established revenue available to finance an array of government spending initiatives, little room for serious criticism.

Mr. Speaker, the Montreal Gazette looked at the Ontario Budget and at Saskatchewan's and had this to say on March 10th: Those Finance Ministers who have not yet presented their '78-'79 Budgets should follow the model of Saskatchewan — not Ontario.

The list goes on. Not everyone was entirely happy, of course, and here I include some SUMA spokesmen. I'll have more on that item in a moment but of all the comments I have seen, Mr. Speaker, the only negative ones have come from members opposite trying to sharpen their very dull political axes.

As I have said, this is a consensus Budget, broadly responsive to the needs of people in all walks of life. How did we achieve it, Mr. Speaker?

I submit it is because this government has listened to the people, consulted interested groups and sought the advice of people across this province in a way which few other governments have. The Cabinet has travelled outside Regina, talked to people, listened to briefs, seeing conditions first-hand more than any other Cabinet in the history of this province. Committees of Cabinet met almost every week with Saskatchewan groups to discuss their problems and their proposals. Our MLAs play a very important part in this process. Their constituents know that they can reach a minister or the Cabinet and deal with problems. They know that our progress is part of the decision-making process, Mr. Speaker.

This is the government that listens and this is the government that responds, Mr. Speaker. For example, the Municipal Association, particularly SUMA, have been urging the revenue sharing idea for a long time. It was a difficult program to develop because it was new and there was no blueprint to follow. My colleague, the Minister of Municipal Affairs and his department, worked long and closely with SUMA and SARM to develop the idea to a suitable starting point and we launched it this year. I said in my Budget Speech, that this is phase one; that we would make this very significant start and that we would continue to consult with both the urban and rural municipalities and that we

would move forward with phase two next year. We are committed to perfect the plan over time, Mr. Speaker. I think most mayors, reeves and councillors in Saskatchewan accept and believe in that commitment. I have talked to a few over the past week and their response has been very positive, Mr. Speaker.

Let me share with you a portion of a letter which I received last week from the Mayor of Saskatoon, because I think it typifies the response to the approach we have tried to take in working with people to solve problems. Let me quote, Mr. Speaker:

With respect to the Budget and the question of revenue sharing, I want to state, without abandoning my well-publicized opinion on maintaining a separate police grant, that the start that has been made in terms of dollars available, is a most generous one. Doubtless, this program is one that will be in the evaluation state for some time. We will continue to make suggestions on changes leading to a final form and I want to assure you that these will be done in the spirit of co-operation. Once more, please accept my gratitude for your initiative and my best wishes. Signed, Cliff Wright.

I have Mr. Wright's permission to quote this letter, Mr. Speaker. I thank His Worship for this letter because I think it reflects the working attitude between the provincial government and the municipalities which has made a start on revenue sharing possible and which will guarantee the future of this precedent-setting plan.

Mr. Speaker, before I conclude my remarks, I want to say just a few words about one aspect of our job creation strategy for which I have particular responsibility, and that is housing. Construction of new housing in Saskatchewan over the past several years has maintained a remarkable level. We had a record year in 1976 with over 13,100 starts in housing. But almost equally remarkable, Mr. Speaker, was the performance of the housing sector in 1977 with over 12,800 starts, Mr. Speaker. There is no doubt that the Saskatchewan Housing Corporation has played a key role in these accomplishments. We have increased housing capital spending in the coming year to \$52 million to accomplish several objectives:

- 1.to maintain a healthy construction industry;
- 2.to provide jobs;
- 3.to make good housing affordable for all people;
- 4.to assure that the housing supply keeps ahead of demand so we can complete the job of removing rent controls.

I am confident we will accomplish those objectives with this Budget, Mr. Speaker. Mr. Speaker, when I brought down the Budget eight days ago I said that few assignments during my public life have given me as much satisfaction. Nothing that has been said in this debate has diminished that satisfaction. Indeed, I am, if anything, more confident that the plan for the year ahead which is laid out in this Budget is what this province wants and is what this province needs, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK:— Mr. Speaker, for those opposite the moment of truth has arrived. They

have heard the people of this province and they've heard the way they've responded in a positive way, they are overwhelmingly in support of this Budget, Mr. Speaker. Mr. Speaker, I asked those opposite where do they stand. I challenge them to vote against this Budget, Mr. Speaker. If they do, they will be voting against the personal income tax cuts. They will be voting against the corporate income tax cut for small business. They will be voting against revenue sharing, Mr. Speaker. They will be voting against jobs for the unemployed. They will be voting against for more benefits for senior citizens. They will be voting against more jobs and more housing for young people, Mr. Speaker. If they dare to vote against these things, they will be voting against the wishes and the interests of their own constituents. I say to them, stand up and be counted. Mr. Speaker, this is a responsive and responsible Budget presented by a good government. I will support the Budget. I will oppose the amendment. I will support the motion.

Amendment negatived on the following recorded division:

YEAS — 19

Malone	McMillan	Birkbeck
Merchant	Nelson (As-Gr)	Ham
MacDonald	Clifford	Berntson
Penner	Collver	Lane (Sa-Su)
Cameron	Bailey	Wipf
Anderson	Lane (Qu'Ap)	Katzman
Stodalka		

NAYS — 30

Blakeney	Kowalchuk	Faris
Pepper	MacMurchy	Rolfes
Thibault	Mostoway	Tchorzewski
Bowerman	Banda	Shillington
Smishek	Kaeding	Skoberg
Romanow	Kwasnica	Allen
Messer	Dyck	Koskie
Snyder	McNeill	Johnson
Byers	MacAuley	Thompson
Baker	Feschuk	Lusney

Motion agreed to on the following recorded division:

YEAS — 30

Blakeney	Kowalchuk	Faris
Pepper	MacMurchy	Rolfes
Thibault	Mostoway	Tchorzewski
Bowerman	Banda	Shillington
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COMMITTEE OF FINANCE — AGRICULTURE — Subvote 1

MR. CHAIRMAN:— Order, turn to page 12, Agriculture, subvote 1.

Subvote 1 agreed.

The Committee reported progress and asked leave to sit again.

The Assembly adjourned at 5:02 o'clock p.m.