

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
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EVENING SESSION

Budget Speech Debate Continues

MR. B.M. DYCK (Saskatoon Mayfair): — Mr. Speaker, I regret now that time constraints prevented me from speaking a little bit more slowly, so the members opposite could understand a bit more of what I was saying but I . . . (inaudible interjection) . . . yes I am tempted to.

AN HON. MEMBER: — They are slow learners, so it doesn't matter how slow . . .

MR. DYCK: — I highly recommend the Tuesday edition of the Hansard for their reading, however, Mr. Speaker, before the recess I was referring to Northern Saskatchewan and some of the successes that we had developed in Northern Saskatchewan, and I believe that people in the North are developing self-government and are beginning for the first time to run their own affairs. It has been some struggle but certainly there have been a great deal of accomplishments in Northern Saskatchewan. I think that if we put our minds to it, we can have the same successes in our urban areas, and I challenge the people of Canada and the people of Saskatchewan to this goal. I challenge them to try and understand Indian people. I challenge them to try and understand the history of this once very proud people, the native Indians. If we accomplish that first step of understanding why Indian people have a right to be angry at times, then we might be well on the way to providing those other things that they need — those job skills, the jobs themselves, housing and so on. Most of all we must understand that all people have a right to live with a certain dignity and a certain self-respect. I want to emphasize, Mr. Speaker, to warn you that if this understanding does not come forth, that this appreciation of the Indian people does not develop, then the consequences might be quite severe and quite costly, quite severe and quite costly in human terms and in property terms. It is not because of these consequences that we should act. We should act because we have an impelling moral and humanitarian obligation to act. We should act and we should act now, Mr. Speaker. Mr. Speaker, I am very pleased to support the motion.

SOME HON. MEMBERS: Hear, hear!

MRS. J. DUNCAN (Maple Creek): — Mr. Speaker, the opportunity to rise and speak in this budget debate is one not to take lightly. The fact that there was a budget leak, the fact that again there is a deficit, the fact that the government tends to make light of these issues, makes this particular debate a very serious and crucial one. The people of Saskatchewan can no longer afford to be conned by this socialist government's attitude of arrogance and irresponsibility.

SOME HON. MEMBERS: Hear, hear!

MRS. DUNCAN: — On one hand the Minister of Finance (Mr. Smishek) states that our province is in fine shape, that our province ranks as one of the richest in Canada, that our economy is buoyant. Then he turns around and states that even in these prosperous times, he is not afraid of deficit budgeting. Obviously, the Minister of Finance is a firm believer in deficit budgeting. Introducing the fourth one in four years

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attests to this. That's hardly an impressive record, Mr. Speaker, hardly one to be proud of. Trying to pass off another deficit budget onto the people of Saskatchewan as prudent and responsible takes more gall than I can fathom. Perhaps the most frightening aspect of this budget is the blatant mismanagement of our heritage fund. This fund primarily set up as a heritage or legacy for future generations of our province is in great jeopardy. Using the capital from the heritage fund to run the government on a day-to-day basis is hypocritical to say the least. If one adds this capital flow to the projected deficit of \$49 million, one gets the true deficit, Mr. Speaker, a deficit of \$37 million. This shows the complete arrogance of this government. They juggle the books. They juggle the figures. And to what end? They do it to deceive the people of Saskatchewan. They do it to hide their gross incompetency. They do it because they know that a deficit of \$377 million would be totally unacceptable by the people of Saskatchewan.

Today we are on a merry-go-round of public spending. We, the people, have been sucked into a huge vortex. A vortex that we have no chance of escaping. We have locked our children into a legacy of debt. It is no wonder that people have lost the confidence in all governments. We, as citizens, are expected to be productive. We, citizens, are expected to prudently manage our own affairs. We are expected to turn blind eye to the excesses of government. We are being asked to accept deficits as being prudent and responsible. To be credible, Mr. Speaker, to regain the confidence of the voters, we must once more become responsible legislators. The heritage fund must be used for its intended purpose — to ensure a fair share of our non-renewable resources for the future generations of our province. But, Mr. Speaker, does this socialist government adhere to this? No, they don't. This socialist government, in total arrogance, transfers money from one department to another, from one fund to another. Yes, Mr. Speaker, this socialist government, in their arrogance and contempt for the law, by-passes the elected legislators in order to meet its own end. Here we have example of Murphy's Law, Mr. Speaker. It is impossible to make anything foolproof because fools are so ingenious.

SOME HON. MEMBERS: Hear, hear!

MRS. DUNCAN: — . . . (inaudible interjection) . . . Mr. Speaker, I'd like to talk government responsibility for a few minutes. In what I have seen in the past few weeks on the lack of shouldering responsibility, it frightens me that we are on the verge of entering the nuclear age. Commenting on the recent PCB spill, the Minister of the Environment shrugged it off as being an error in judgment. Commenting on the radon gas emission in a school in Uranium City, the Minister of Environment shrugged it off as an error in judgment. Then the Minister of the Environment stated on TV that should any other serious or potentially dangerous situation occur, he assures that it would only be an error in judgment. Are we to trust this man with monitoring the environment during nuclear development? Never, never, never. How can a government that is to set the rules, to protect the environment, to be the ultimate referee, morally justify being an active participant in the development of nuclear energy? I challenge this government that you cannot be a referee and a player at the same time. Somewhere along the line, economics will take precedence over safety.

The Premier himself states that the budget leak was a human error. I'd like to ask the Premier if he knows of any other kinds of errors. Of course it was a human error but someone has to be responsible for that human error.

Mr. Speaker, the list can go on and on. As I stated before, people have lost their

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confidence in governments and I believe this budget is irresponsible. Perhaps a more applicable postulate would be the one that states, 'No man's life, liberty or property is safe while the legislature is in session' and, Mr. Speaker, this is very true, especially in the light of the fact that the Bobbsey twins are in control. On one hand, we have boring Blakeney and on the other hand, we have squandering Smishek.

Mr. Speaker, I cannot support the budget as presented.

SOME HON. MEMBERS: Hear, hear!

MR. D.F. McARTHUR (Regina Lakeview): — Mr. Speaker, I wish to start out by congratulating the Minister of Finance (Mr. Smishek) on the budget that he has presented to this Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — In these difficult times, nationally, in terms of the economy, I am sure it will stand as one of the really great budgets that has been presented in the history of this Assembly. There are three terms that come to mind when I think of this budget.

AN HON. MEMBER: — This term or the next two terms.

MR. McARTHUR: — That's right, three more terms. I intend to hire that man as my speech writer. Other than those three terms. I have another three terms that come to mind. One is responsible, one is compassionate, and one is fiscally sound.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — I say, Mr. Speaker, first of all that it is a responsible budget. I believe that it is responsible in a number of important respects. First of all, it is politically responsible. It undertakes, in a conscientious and workmanship like way, to implement the commitments and undertakings that we on this side, the NDP, made during the election last October, and I believe that is important. We in the NDP have developed a strong tradition of meeting our commitments and honoring our commitments and that is the highest form of political responsibility there is.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — But this budget is responsible in another respect, Mr. Speaker. Our province is made up of a wide diversity of responsible locally controlled authorities — local government bodies, hospital boards, school boards, recreation boards — all of which are critically important in terms of providing strength, character and diversity to provincial life. All across Canada, and indeed in North America, the viability and independence of these is being threatened by the failure of senior governments to ensure that their financial requirements are being met.

Now that kind of approach, Mr. Speaker, may have a satisfying cosmetic effect on the budgets of the senior governments involved and to that extent it may appear to be good politics. But I ask you, Mr. Speaker, what is the effect on the credibility and manageability of the local governing bodies involved?

To get the answer, Mr. Speaker, we need only look to Tory Manitoba, Tory Ontario, and

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neo-conservative British Columbia. Municipal governments, hospital boards, school boards, and the like in those provinces are in serious difficulty, Mr. Speaker, as our daily papers show every day. The 4 per cent and 6 per cent guidelines being applied universally in those provinces are destroying the ability of those local authorities to do their job, and with it, in those provinces, the confidence of the people in those institutions. When that confidence dies, Mr. Speaker, the ability of people to responsibly govern themselves at the local level also dies.

AN HON. MEMBER: Hear, hear!

MR. McARTHUR: — Provincial and federal governments that bring this about are not acting responsibly, Mr. Speaker. They are refusing to recognize that much of the strength of our democracy comes from the strength of these locally controlled institutions. Contrast that to the approach being taken in this budget, and other speakers have referred to it. Grants to local authorities and other third parties will increase by 11 per cent in 1979-80, and will consume 45.5 per cent of total provincial expenditures.

That's not just words, Mr. Speaker, that's the financial resources that are needed, and that indicates a responsible view regarding the governmental makeup of our province and the need to maintain strong and credible locally controlled institutions.

There is a third respect in which this budget is responsible, Mr. Speaker. In comparison to budgets being introduced all across Canada by provincial governments and the federal government, this is perhaps the only one that openly and clearly recognizes the importance of public sector spending for social and economic purposes. It takes the position that public spending must continue to occupy its historic position in our provincial economy.

Compare that to the position of the Conservative Party. They advance the position that there should be a substantial reduction in the public sector's share of total provincial expenditures. I take that position that they advance seriously, and I believe that it's worthwhile and good that they advance that position. Those of us who believe in the importance of the contributions the public sector make have been challenged by the comments of members opposite and by the criticisms of members opposite to come forward and speak out and defend the purposes and usefulness of public sector expenditure.

Now what exactly do the Conservatives mean by their approach to reduce the public sector share in the total provincial expenditures? Well, they have been somewhat imprecise. But their federal financial critics suggest, and suggest seriously, that we should attempt to return to a situation that would be roughly equivalent to the latter period of the last Conservative government in Ottawa, at a time when government expenditures amounted to about 16 per cent of total national expenditures. I presume, from what has been said, that the provincial position is somewhat similar and follows the guidelines of their federal members in this respect. Now an application of this guideline to our provincial economy and our provincial budget would require a reduction in ordinary provincial expenditures of between \$400 million and \$500 million. So that is one of the givens about Conservative policy with respect to public sector spending.

The other given, and we don't have to dwell on it at this time because it has been stated so many times by the member for Thunder Creek and other members opposite, is that

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there must be a balanced budget. So, under the Conservatives, we would have a reallocation of expenditures from the public to the private sector involving a reduction in current provincial government expenditures of at least \$400 million. In addition, they would want to reduce the burden of royalties on resource companies, and here again through adopting the Alberta model, by some substantial amount. Again, to be conservative, (we don't have precise estimates from them, I think this is a very conservative estimate) I would say, let's say that amounts to \$50 million. In addition, they want to add certain items that they consider important, such things as a four-lane highway to the Manitoba border and a number of other very expensive items that they have raised in this legislature and are rightfully the priorities that they have put forward. Again, they haven't provided us with cost estimates of all these additional programs, but to be on the conservative side, I would say they would require at least another \$50 million per year. This would require finding another offsetting \$50 million in this government's estimated expenditures. This means, Mr. Speaker, if they are serious about meeting their stated policy objectives with respect to the public sector and still have a balanced budget, they would have to cut at least \$500 million out of the projected spending of this government.

Now, Mr. Speaker, where would they find that required \$500 million? The member for Estevan, (Mr. Larter), says 500 hacks. Well let's go into that and see if we can find them. Well, in their now well-established slipshod fashion, they make comments of that sort — 500 hacks, better management, something of that sort. But, an examination of the spending estimates, a detailed examination, can give us some hints about where they could go and would have to go. Do they intend to go after direct government programs which they've criticized so often and so frequently — services such as ag rep services and other agricultural services, other extension services, family farm improvement grant services; those kind of services? Or do they intend to cut into public health services, our provincial wide public health program, including the dental program, public health nurses, medical health officers? Or do they intend to cut out services to labor and industry, such as labor conciliation services, the occupational health and safety program, safety inspections of places of work, fire inspection? Where do they intend to cut — assistance to small businesses through the Department of Industry and Commerce, family services, child care, senior citizen services? Or do they intend to go into the education budget — cut out school superintendents and other curriculum and program support to schools? or policing? courts? jails? or some of the many other well established services provided directly by the provincial government?

Well, first of all, Mr. Speaker, total spending on direct services of this sort is only \$470 million less than the total amount they are looking for even if they'd closed down everything and dismissed every civil servant.

Mr. Speaker, they make light of these kinds of comments with respect to what kinds of programs; they laugh; they say they'd cut them all out. But Mr. Speaker, I've done some of their work for them. I've gone through the estimates in detail a number of times and I would say that not even the Conservative Party, however mean and however vicious and however tough they got with respect to the budget, could only find \$25 million to \$50 million of direct services that they would cut out and then at a great cost to the quality of provincial life. So, if they were in government, they would still have to find mother \$450 million to open up this new space in the economy that they want for the private sector.

Here's where we get down to the crux of Conservative policy. Where would they get it? Where could they get it? Well if we take their position seriously about their ends and

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objectives (and I say we should), I'll tell you where it would have to come from, Mr. Speaker. It would have to come from the moneys that go to the local municipalities and it would have to come from the money that goes to the hospital boards and the schools. It would have to come from the money that goes to medicare and from the money that goes to supplementing the incomes of the working poor and senior citizens; in short, from the \$1.24 billion of transfers to local authorities and individuals indicated on page 37 of this budget.

And that, Mr. Speaker, is the bottom line with respect to the Conservative public sector spending policy. The Conservative approach would necessarily play havoc with all of these things that this province has worked so long and hard to build, and for which it is rightfully the envy of all people across Canada.

It was to fight this kind of irresponsibility on the part of the Conservative Party that I personally got into politics.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — It was because of the knowledge of these implications of Conservative policy that the people of Saskatchewan elected an NDP government on October 18. The problem is that your policy is wrong and not the kinds of excuses you've been trying to make in this legislature. The people of Saskatchewan do not want to go through an experience like the people of Manitoba went through, after a Conservative government was elected there.

That illustrates why, Mr. Speaker, this is a responsible budget. This budget stands by the commitment of the NDP to take a responsible view of the role of the public sector in modern society. Mr. Speaker, I started out attempting to characterize this budget. In so doing I have characterized it as a responsible one; responsible in a political sense, responsible in its concern for our local authorities and responsible in a general economic and social sense.

It is more than a responsible budget, Mr. Speaker. It is a compassionate budget. It is built on the principles of caring and sharing that have so long guided the NDP and the CCF before it. We, on this side, have heard Tories and Liberals attack the poor and the needy who draw assistance from the state as welfare bums and as a drain on our society. Well, Mr. Speaker, we in the NDP reject such viciousness and this budget shows it. We believe that we are our brothers' and sisters' keeper. We have stood by that creed in the past and we stand by it today. Evidence of this compassion — the member for Qu'Appelle (Mr. Lane) listen to the evidence — evidence that comes from the Minister of Finance. That's who we have to listen to to find out where things stand. Some examples, Mr. Speaker, some examples in this budget: the tax cuts, with their substantial impact on low-income earners with families; or the changes in the family income plan. Would a Conservative government consider a family income plan with the 25 per cent increase in the basic entitlement as well as the 12.7 per cent increase in the maximum income at which full benefits may be received?

MR. LANE: — Run that man through with your sword.

MR. McARTHUR:—Mr. Speaker, if I understand the rules of the House, I am now standing and have an opportunity to speak and the member for Qu'Appelle (Mr. Lane) will have his opportunity when he chooses to rise in his place and speak.

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Other kinds of examples of the compassion in this budget, Mr. Speaker: a 193 per cent increase in grants for home care; 178 per cent increase in expenditures on administration of home care and senior citizen's programs; 53 per cent increase in the provision of family and community services in the Department of Social Services; a 42 per cent increase in allowances for day care, primarily to assist low-income families with working parents. If I might say, Mr. Speaker, I consider this to be a very important item in the budget. I consider our day care program to be one of the most important of our social programs. It has been developing through the years here in Saskatchewan and I think today we have the best supported day care system of any province in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — It is an important part of a policy that provides an opportunity for women to find a rightful place in the work force and to have an opportunity to take that place on in the work force. But I say to all members that our day care program is having some difficulties. Our day care co-ops are having some difficulties and we must look at our approach to them, look at the kinds of resources we are allocating. I think this increase in grants is a major step forward and I hope it goes a considerable way to helping solve the problems of our day care programs.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — Other indications of compassion in this budget: a 31 per cent increase in grants to social service organizations primarily directed to assisting Indian and native organizations in addressing the social and economic problems of their people. I don't need to speak long on that item because many speakers have emphasized that in this budget debate.

There are many, many such items that indicate the emphasis and concern with social problems in this budget. These, and other increases, indicate the concern of this government for the poor, for low-income families, for people of Indian ancestry and for senior citizens.

However, Mr. Speaker, we must not become complacent, even in the face of these kinds of budgetary provisions. We still have, in this province and in Canada as a whole, a number of significant social problems that must be addressed.

Poverty is still very much with us. A recent Statistics Canada study, covering the 25 year period from 1951 to 1975, shows that contrary to widely held opinions, there has been very little improvement in the distribution of income in this country. Mr. Speaker, 40 per cent of Canadian families, according to this study, Mr. Speaker, in making up our low income population, receive a measly 19.2 per cent of total family income earned in Canada in 1975 and this situation has changed hardly at all over the last 20 years. Meanwhile, the top 20 per cent of families in terms of income have consistently received about 40 per cent of total income over the period. As this study goes on to point out, those areas with relatively generous programs in the field of health and education such as Saskatchewan, show a somewhat better picture if these benefits are included or could be included in income, which they are not in the statistical sense, so we are somewhat better off. Nevertheless, the broad picture cannot be denied: 40 per cent of families get only 19 per cent of the income while the privileged 20 per cent of families get almost 40 per cent of the income generated in this country.

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I say to all members of the Assembly, Mr. Speaker, that these figures clearly point out one direction that we must go over the coming years. In four or five years time, Mr. Speaker, it can be expected that Ministers of Finance of the day will be confronted with much increased public revenues from resources. There will be much debate about how these revenues should be used. I, for one, believe that there should be little doubt a major portion of these revenues should be and must be used to mount a major offensive against income and equality, its causes and its manifestations.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — Having said that, Mr. Speaker, I want to again congratulate the Minister of Finance for the compassion he has shown in this budget. Our much hoped for resource bonanza is not yet with us in that sense. Indeed, the great rapid growth is a few years off. I know that he and his cabinet colleagues have had to struggle hard to allocate expenditures within the means available to include the socially progressive provisions that are found in this budget and I applaud them for their efforts.

Mr. Speaker, I said earlier that I characterized this budget as: (1) responsible, (2) compassionate, and (3) fiscally sound. I want to now direct my remarks to the third of these characterizations, namely that of its fiscal soundness. In doing so, let me concede right off that this is a deficit budget but in direct contrast to the thundering of the member for Thunder Creek (Mr. Thatcher) who is not in his seat and other members opposite, I maintain that a deficit budget at this time is fiscally sound.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — Any Minister of Finance in constructing the budget must consider the state of the provincial and the national economy and the needs of that economy in terms of economic stimulation. I emphasize that it is both the provincial and national economy that must be considered, Mr. Speaker, because it is clear in a federal state such as ours that both provincial and federal governments must accept responsibility for the management of the economy and for the implications of the things they do. Provincial government expenditures today in Canada account for about 42 per cent of total government expenditures — exactly equal to the percentage for the federal government — which shows the importance of joint federal/provincial action with respect to the management of the economy.

The Minister of Finance made reference in his speech to the expected state of the national economy in 1979. He has indicated that the national economy will take another downward turn in this year. Projections by the Conference Board of Canada indicate that the unemployment rate will reach the highest level of the decade with 9 per cent of the labor force being unemployed over the year. The utilization of our industrial capacity which increased somewhat in 1978, will again fall back to around 85 per cent. The major economic stimulus of 1978, a very rapid growth in exports, will not materialize to the same extent in 1979.

While we can expect that the agriculture and resource sectors will have a good year in Saskatchewan in 1979, our industrial and business sectors will not be able to totally avoid the impact of the expected down-turn in the national economy. This situation clearly calls for some stimulation of the economy. The Minister of Finance has very

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wisely provided for some excess of current expenditures over current revenues in order to generate just such a stimulating effect on the current account. But he has gone further than that. He has also recognized that a provincial government can have its greatest impact on the capital account. He has recognized that the time to make major new investments for the future is in times of national stagnation when one does not run the danger of overheating the capital goods producing sectors. Thus, the minister has made provision for almost \$600 million of capital development through our family of Crown corporations. These are carefully planned investments which will build on our strengths and leave our children with a stronger, more secure economic future than would otherwise be the case.

So, Mr. Speaker, we have a mildly expansionary budget, utilizing the vehicles of a small deficit and a major capital program in the cost-recovering Crown corporations. What we do not have is the mindless slashing of public expenditures that has become the stock in trade of Conservative governments and Conservative politicians all across Canada, and now adopted, if evidence in Ottawa is to be taken, by the Liberal government as well.

Mr. Speaker, there is hardly a serious student of the Canadian economic situation today, who does not agree that this country's economy needs some stimulation. Nor is there one who would argue that deficit financing in the public sector should not play a part along with other measures, including increased consumer spending, export stimulation, increased rates of investment in plant and equipment, and so on. But the problem, Mr. Speaker, is that the provincial and federal Tory politicians (and this is a problem for our full national economy), all across Canada, have been able to build up a head of political steam in their minds by fighting on the issues of government — spending and government deficits.

This has become the big issue for the rightwing of Canadian politics in the 1970's with tragic consequences for our economy and sometimes, farcical consequences for individual politicians. So we have the farce of the federal Tories, becoming victims of their own successful propaganda. A few months ago, to many people's surprise, Joe Clark consulted a substantial group of economic experts and after some consultation and education, he was able to understand that an overall package of economic stimulation is urgently required and that deficit spending would need to form part of such a package. Thus, he came to announce his ill-fated policy of a stimulative increase in the federal budget deficit.

Now, Mr. Speaker, the member for Thunder Creek (Mr. Thatcher) spoke at some length about his concerns about cynical manipulation of public opinion and public understanding of the public finance system. I say there is nothing more indicative of such cynical manipulation than what happened in this case. No sooner had the federal Conservative leader announced this policy than he had all the hacks and political opportunists in the Conservative party from all across Canada saying, 'no Joe, no, no, you can't say that. You've got to back off. We're making great political mileage out of exploiting this anti-deficit spending hysteria in the country, but we can't go on exploiting it if you go around talking economic sense about economic policies'.

AN HON. MEMBER: — That's right!

MR. McARTHUR: — And so what happened? The members opposite know very well what happened. Joe Clark backed off and we now have as Tory policy the great proposed 30 day — I'm not sure, maybe now it's down to one day — increase in the

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federal deficit to stimulate the national economy.

So now speaking of cynicism, Mr. Speaker, what are the people of Canada to make of a party that will so quickly repudiate its leader just to gain some short-term political advantage regardless of what it means to the national economy? And what are the people of Canada to make of a leader who will so easily and quickly back off from his stated convictions simply in order to manipulate and exploit public opinion?

Mr. Speaker, we on this side make no apologies for the deficit that is proposed in this budget. Unlike the Tories, this government has always been prepared to play its part in terms of good economic management and this is simply another illustration of that fact. It would have been very simple to play the political advantage and come in with a balanced budget but the Minister of Finance did not succumb to that temptation. To his great credit he decided to stand by sound economic principles and come in with the budget that he did.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — Mr. Speaker, having said that, I want to add that the members opposite and their spokesmen have advanced on occasion two objections to deficit budgeting that bear some further examination.

The first of these is the argument that a deficit will contribute to inflation. The members in this House opposite have only made passing reference to it, but the Conservative party in general makes a great deal of it. Mr. Speaker, inflation is a tremendous problem in Canada today. There is no doubt about that. Its causes, Mr. Speaker, tend to be of three kinds: (1) the deep-seated power of monopoly corporations to administer prices rather than to respond to any sound criteria regarding adequate profits and prices, (2) the almost uncontrolled expansion in our money supply as a result of some complicated factors associated with the weakness of our Canadian dollar and the intervention of the federal government in the dollar market, (3) inflationary pressures in the price of world-trade commodities, the kinds of which we both import and export. But government spending . . . (inaudible interjection) . . . just listen, listen Mr. Member, I'm coming to that. Government spending and government deficits can hardly be much to blame for inflation. During the past few years our national economy has been plagued by a very low rate of growth and overall demand for consumer capital and export goods and services. A high propensity to save, in a corporate sector that refuses to renew itself through reinvestment, has meant that a major problem within the economy has been a deficiency in effective demand for goods and services. This has continued to be true even with very substantial national government deficits because these deficits cannot have been large enough to fill the hole of the deficiency in the gap of demand for goods and services.

Now deficits in these kinds of times in the economy, Mr. Speaker, whatever else they may be blamed for, cannot be blamed for inflation. Broad categories of spending of any kind whether they be personal, business, investment, or government can only generate inflation if the totality of all kinds of spending in the economy exceeds the capacity of the economy to meet such spending demands.

Our problem in Canada has been quite the opposite. Personal saving has risen from 4.5 per cent of personal income in the early 1970s, to almost 10 per cent in 1979. Expenditures on goods and services have fallen from 75 per cent to 70 per cent of personal income over the same period, with a resulting under-utilization of the

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productive capacity of our business enterprises, and a high unemployment in our work force. Broad categories of spending cannot be blamed for inflation under those kinds of conditions in the economy.

So the charge that deficits encourage inflation at this time simply do not stand up and should be set aside to let us get on to the serious questions of examining what is the matter with the national economy.

The second criticism made by the members opposite is that a deficit will place an unfair burden on future generations, because of the public debt that must accompany it.

This, Mr. Speaker, is a complicated question, but, it should be quite clear to anyone that it is impossible to take future consumption and move it back through future time to the present. We cannot in that sense rob the standard of living of future generations in order to advance our own.

Under certain circumstances, however, the funding of deficits can have a significant impact on the distribution of income of future generations, because of the interest charges on debt incurred. I think the member for Thunder Creek (Mr. Thatcher) was speaking of this. Fortunately, however, in our case at the present time the surplus in the heritage fund will exceed the deficit on current account, with the result that the financing can be done internally. Future interest payments, which agreed must come from the public sector, will also be paid to the public sector, with the result that there will be no disrupting impact on future income distribution as a result of this kind of budget deficit.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — As a consequence, Mr. Speaker, we can conclude that the opposition has not proven its case against this budget. The small deficit indicated is just the right economic medicine for these times, and the arguments advanced by the members opposite in opposition to the proposed deficit do not stand the test of careful examination. Mr. Speaker, I support the budget in all its forms.

SOME HON. MEMBERS: Hear, hear!

HON. G.T. SNYDER (Minister of Labour): — Mr. Speaker, I want to begin the few remarks that I have to offer in this debate by congratulating the Minister of Finance (Mr. Smishek) on yet another rational and progressive budget proposal.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — I would also like to take this opportunity to offer a few words of welcome to the new members to the Legislative Assembly and offer words of congratulations to you, Sir, on your election as Speaker of this House. (. . . inaudible interjection . . .) I think, Mr. Speaker, the vigour of the political scene in Saskatchewan is reflected in a very major way by the quality of the people who have been elected as MLAs on our side of the House.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — I am particularly pleased with the wide diversity of experience that our

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new government members have and I know that they'll add in a very marked degree to the ability and to the strength of our caucus. I want also, Mr. Speaker, to express some particular satisfaction that the outcome of the election in the city of Moose Jaw on October 18 last. This represents the sixth occasion that the people of Moose Jaw have so honored me and in the 1978 election. Mr. Speaker, it was the best yet with the good people of Moose Jaw offering something on the order of 60 per cent of the popular vote in my case. But even more gratifying, Mr. Speaker, was the resounding victory of my colleague, the hon. member for Moose Jaw North (Mr. Skoberg).

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — Once again, Mr. Speaker, those traditional bed partners, those Grits and Tories, attempted to join forces in a futile effort to defeat John Skoberg. The Liberal organization in Moose Jaw deliberately abandoned their candidate, dispelling any suggestion of credence, Mr. Speaker, in the old adage that there is honor among thieves. When the dust settled, Mr. Speaker, John Skoberg had walked over that pair of conspirators with hobnail boots and I want to congratulate him once again.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — May I also offer my personal congratulations to the Leader of the Opposition, the member for Nipawin (Mr. Collver) on his personal victory and express at the same time my sincere and my genuine wish that he will continue to lead the Conservative Party in Saskatchewan in perpetuity.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — I am very gratified, Mr. Speaker, that the New Democratic Party has been returned to the legislature with an increased majority. I think this indicates that the people of Saskatchewan clearly support the actions and policies of this government over the past eight years — policies which direct the management of our natural resources, our oil, our potash and our uranium so that Saskatchewan people benefit from their development, policies, Mr. Speaker, which protect and improve our health care systems, policies which protect the family farms and rural communities at a time when that way of life is being threatened. Mr. Speaker, the people of Saskatchewan have given us a rather major mandate to continue with these policies into the new decade.

However, Mr. Speaker, I would like to caution my fellow New Democrats that we must not become complacent about our electoral success. After all, we may not always be able to depend upon the assistance given us by the Leader of the Opposition or by what used to be the Saskatchewan Liberal Party. The results of October 18, Mr. Speaker, represented an obvious voter recognition of the complete absence of any kind of substantial policies on the part of the Liberals and Tories and were I think a very clear and absolute rejection entirely of the inappropriate and ill-conceived proposals of these political parties who occupy the opposition seats in this House and outside of the House in Liberal circles. Nor, Mr. Speaker, can we always depend upon the assistance provided by the Supreme Court of Canada. It was apparent, Mr. Speaker, from the CIGOL (Canadian Industrial Gas and Oil Limited) decision that the people of Saskatchewan knew that if they wished to benefit from their own oil resources they must elect a government that was strong enough to withstand the attack which was being made upon Saskatchewan's resource policies. The outcome of the October election makes it apparent who the people of Saskatchewan trust to look after their

interests.

Mr. Speaker, in this term of office we are on the threshold of a new decade and we are placing great emphasis on improving industrial relations and the prevention techniques in terms of providing for better labor-management relations. However, I'm afraid that there are not unanimous views and not everyone agrees with that particular approach. I detect, Mr. Speaker, a dangerous current of reaction and conservatism abroad in our country. Every day we hear of new incidents of attacks against working people and the rights of working people.

The Trudeau government in Ottawa, for example, has done nothing to reduce the numbers of unemployed. They have simply reduced the number of jobless workers that are eligible for unemployment insurance benefits and have reduced those benefits substantially, Mr. Speaker. There's a policy of attacking the victims of unemployment, not its causes. That same Trudeau government, Mr. Speaker, in Ottawa, has also introduced a bill which effectively denies full free collective bargaining rights to thousands of public employees.

In essence, Mr. Speaker, this dangerous Bill C-22 tries to use the low wages and poor working conditions of many unorganized workers to undermine the position of federal employees.

Just a few months ago I think members opposite (and surely members on this side of the House) will recall that the Bennett government in the province of British Columbia responded to an industrial dispute involving some non-teaching school board employees by passing some exceedingly sweeping amendments to their essential services disputes act. These changes greatly increased the number of workers whose crucial bargaining rights can arbitrarily be undermined by the government.

In Manitoba, in that haven of Tory people across the border from us in Saskatchewan, we see massive lay-offs of civil servants and abrupt terminations and cut backs in social programs such as health programs, occupational health and safety in particular.

I understand, Mr. Speaker, that ever since Sterling Lyon and his forces of reaction have tried to drive Manitoba backward into the dark ages, there was a certain bumper sticker that is seen more and more around the province of Manitoba and it simply says: 'Don't blame me, I voted NDP.'

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — Mr. Speaker, in Alberta another Tory government recently implemented an act which effectively denies the right of free collective bargaining to more than 30,000 working people in the province of Alberta. This public service employees' relation act practically makes the public employees of Alberta second-class citizens under that law. It is not surprising, I think, that that serious threat to free collective bargaining, the very existence of trade unions and the fundamental rights of working people, have been widely condemned. It has been condemned, Mr. Speaker, by the provincial government employees' association, by the Alberta Federation of Labour, by the Canadian Labour Congress and more recently it has been criticized by the committee of the International Labour Organization.

Now, Mr. Speaker, these forces of reaction and conservatism all have a common theme. They all tend to attack the social and the economic well-being of working people and attack the fundamental rights and freedoms of democratic organizations of

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working people.

One of the areas of attack has been on the collective bargaining process in general. There have been suggestions which we hear from time to time that we should have what is known as right-to-work legislation. This essentially would mean, Mr. Speaker, that any new employees who joins a work place that is represented by the union would have the option of whether or not he or she wish to join that union. I would have hopes, Mr. Speaker, that this would have been a philosophy that might have gone the way of the dinosaur. The right-to-work concept, Mr. Speaker, is in direct opposition to fundamental democratic principles. If a union attempts to organize a shop, for example, with 100 employees, the Labour Relations Board, if there was a significant show of support, will require that a vote be conducted. If, as a consequence, 51 per cent of those employees vote against having a union represent them, then the remaining 49 per cent of 49 employees must accept that decision. They must work in a non-union shop. Conversely then, I think, Mr. Speaker, if in the same set of circumstances, the majority of the workers determine that they would like to have a union represent them, then the minority must also acknowledge that fact, Mr. Speaker, if collective bargaining then is to function in an effective way, labor organizations must have some measure of security in terms of maintenance of union membership. The rationale for the union security provisions included in industrial relations legislation across Canada is that all employees in the bargaining unit who share in the benefits which the union has been instrumental in obtaining, should support that labor organization.

However, Mr. Speaker, in a truly democratic fashion, The Trade Union Act contains a number of safeguards to ensure that unions operate in accordance with democratic principles on which our society is based. For example, the act requires that when an application for union certification is made, the Labour Relations Board must be satisfied that the union represents the majority of the employees in that bargaining unit ballot. When a union certification is ordered, those existing employees of the employer involved who do not wish to join the union, are not required to do so as long as they tender regular union dues. In addition, if the majority of employees in a bargaining unit, on the anniversary date, no longer wish to be represented by that union, they may apply to the Labour Relations Board for an order decertifying this. This can happen on the anniversary date once a year, Mr. Speaker. An order will be issued where the board is satisfied that the request represents the majority opinion of the employees. So, Mr. Speaker, I think the proponents of right-to-work legislation are dangling a red herring when they say it should be an individual's right to choose to join or not to join a union and indicate that that somehow represents democracy in the work place. Those same people, I expect, at least I would hope, would never suggest that those in our society who do not agree with our laws should have the opportunity to opt out. That just isn't democratic principles as is the rest of our society. If the majority of employees decide in favor of a union, then the minority cannot be allowed to undermine or circumvent that decision. Mr. Speaker, this government has always been a leader in the field of industrial relations. In 1971, when we took over from the previous Thatcher administration, the industrial relation scene in our province was in a state of absolute chaos. Since that time we have implemented a new Trade Union Act which I believe re-establishes the rights of working people to organize in a union and which sets guidelines to promote harmonious labor management relations in our province.

SOME HON. MEMBERS: Hear, hear!

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MR. SNYDER: — We have already, Mr. Speaker, also expanded and upgraded the mediation and conciliation services in the Department of Labour and our industrial relations officers. I suggest to you, enjoy the confidence of both management and labor in our province. Their work has gone far in helping to avoid a great number of work stoppages and in cases where work stoppages have taken place, they played a major role in shortening the duration of the work stoppage.

Mr. Speaker, it has been our belief that unions play a legitimate and a respected role in the democratic scheme of things. We feel that sound industrial relations must be grounded in the conviction that the collective bargaining process and its institutions can effectively play a giant role in terms of good labor-management relations. We continue to hold this belief on the threshold of a new decade of progress for workers' rights. Our government will continue to make special efforts to improve the industrial relations climate in the province of Saskatchewan in the 1980s. We feel that there's a disturbing lack of knowledge and understanding on the part of the public as well as on the part of labor and management in some instances on many aspects of labor management relationships. This lack of knowledge, I think, is having an unfavorable impact on the operation of the collective bargaining process. There is, I believe, increasing public criticism of labor relations procedures and this is exerting a negative influence on the industrial relations climate generally. To help to counteract this, my department will be involved in a new educational thrust to generate greater knowledge of labor legislation and programs on the nature of free collective bargaining and on the role of working people in society.

As well, Mr. Speaker, in the budget which is being proposed, provisions have been made for new operational initiatives in the labor relations field also. We will be establishing a preventive mediation program which is intended to open and maintain continuing dialogue between labor and management. It will explore avenues and procedures for effective problem solving away from the crisis bargaining atmosphere at the expiration of a contract. A neutral mediator will work with and advise labor and management between contract negotiations. Between them they will try to seek ways to avoid difficulties in the future and establish more co-operative working relationships between labor and management.

Plans also call for the designation of an industrial relations person in the north — a person who will be operating out of La Ronge and will deal with the particular problems and issues characterizing labor-management relations in northern Saskatchewan. This action is designed to develop, in industrial relations, consciousness of the needs of particular groups in that part of the province. It is in keeping with this government's pledge, Mr. Speaker, to ensure that northern citizens receive an equitable share of the benefits accruing from the development taking place in northern Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — In keeping with this preventive approach to labor-management relations, Mr. Speaker, my department will be designing an educational package, particularly for employers. Throughout this program, we hope to inform them properly of their rights, of their obligations and their responsibilities under our legislation.

All too often, Mr. Speaker, we have found that because of a lack of understanding of legislation, management-employee relationships have started off on the wrong foot.

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On another occasion in this House, Mr. Speaker, we heard the member for Regina South (Mr. Rousseau), complaining about alleged bias of the Saskatchewan Labour Relations Board. I notice the member for Regina South is not in this House, but if he were here I would like to remind the hon. member that the Labour Relations Board in Saskatchewan is composed of people who were nominated by both labor and management groups. These people enjoy the respect and the confidence of the people they represent. In fact, Mr. Speaker, I think it has to be said that the member for Regina South has indicated, by his poor experiences with the Labour Relations Board, that it is not because the board is, or was, biased, but because he epitomizes a major problem. He epitomizes a major impediment in the development of good industrial relations in the province of Saskatchewan.

I'm happy to say, Mr. Speaker, that in the vast majority of cases, employers in our province are good and honest citizens. They deal with their employees in what I believe to be a just and honorable manner and on a mature basis. There are always a few rotten apples in the barrel, Mr. Speaker, which are bringing hostility and discord to the industrial relations climate in our province.

It wasn't my intention, during this debate, to make particular references or indulge in detail with respect to past difficulties between Crestview Chrysler Dodge, Paul Rousseau and the Canadian Brotherhood of Railway Transport and General Workers, but kindly remember, Mr. Speaker, that it was the member for Regina South that chose to attack the Labour Relations Board, a body of people whom he charged with bias and discriminatory practises — a charge which the board is unable to respond to on its own behalf.

Mr. Speaker, the Trade Union Act in Saskatchewan, Section No. 3, indicates quite clearly:

That employees have the right to join in, to form, to join or assist trade unions, and to bargain collectively through a trade union of their own choosing.

Now this is a fundamental principle, Mr. Speaker, that is acknowledged in every provincial jurisdiction across the entire country: in some provinces, with some modification or qualification.

In Saskatchewan and elsewhere, Mr. Speaker, it is an unfair labor practise under our Trade Union Act for an employer to:

discriminate in regard to hiring or tenure of employment, or any term or condition of employment, or to use coercion or intimidation of any kind, including discharge or suspension, or threat of discharge or suspension of an employee with a view to discouraging membership in or activity in or for the selection of a labour organization or participation of any kind of proceedings under this act.

The act also states Mr. Speaker, that it's an unfair labour practice for an employer to, and I quote again,

Use coercion or intimidation of any kind with a view to encouraging or discouraging membership or activity in or for a labour organization.

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Now, Mr. Speaker, these are basic fundamental principles which are embodied in similar statutes in every other Canadian province in the dominion, and it is obvious that the member for Regina South (Mr. Rousseau) would find every labour relations board in the whole of Canada, in his words, to be discriminatory and biased.

Mr. Speaker, just let me then give an example of how a work relationship can be ruined at the very outset. The Canadian Brotherhood of Railway, Transport and General Workers was in the process of trying to organize the employees of Crestview Chrysler Dodge in the summer and early fall of 1974. Let me quote to you from the written reasons provided by the Labour Relations Board in an unfair labour practice charge filed against Mr. Paul Rousseau, page number 273-74-5, all a matter of public record.

In this case the evidence accepted by the board lead the board to the following conclusion of fact. When Joseph M. Schafer was employed by the firm June 8, 1974, he was told by Mr. Paul Rousseau, the General Manager and President of the company, that he did not want a union in the shop and that there was not going to be any union in that firm. This statement was made after Mr. Rousseau became aware of the fact that Schafer had formerly been employed at Mid-West Motors in Regina and that there had been a strike. Schafer told Rousseau that he was not interested in unions. It is presumed that in this case discretion was the better part of valor as otherwise Schafer might not have obtained employment. Later, after Rousseau became aware of union activity, he called Schafer to his office and asked Schafer why he was trying to start a union. Rousseau also asked if he attended a union meeting at noon. The date was August 20, 1974. Schafer denied any activity on his part, although in fact he had signed a union card on August 19. After the discussion Rousseau told Schafer that he was going to check into it. On August 22 Schafer was dismissed. This was in the midst of a concentrated union sign off campaign.

This is a public record. I'll provide the documents for you if you like. Mr. Speaker, the Labour Relations Board in its written reasons for decision went on to say this:

In his evidence Rousseau stated that he had first been advised of union activities by one of his department managers. This man mentioned Joe Schafer and Barry Sullivan had been involved. Upon receipt of this information Rousseau stated he called Schafer to his office and asked him if he was involved in any way in union activities. This was apparently the occasion referred to. Mr. Rousseau passed off this incident by stating, 'basically I asked because I like to know what is going on'. It also stated that he had asked Schafer about it because of what Schafer had told him earlier about his employment at Mid-West Motors.

In the body then, Mr. Speaker, of the written reasons, the board concluded and I quote again:

In this regard the board could not escape from drawing the inference that the very immediacy of the discharge following this interview between Rousseau and Schafer in his office could lead the board to no other conclusion but that union activity was the reason for the discharge, even though it might not have been the only reason.

Accordingly, the board ruled in a manner which any semi or quasi judicial body would

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have been obliged to rule in any jurisdiction in Canada.

Order issued: 273-74-5 Canadian Brotherhood of Railway, Transport and General Workers Local 44 (CLC). Applicant and Crestview Chrysler Dodge Limited and Paul Rousseau, General Manager, Regina, Saskatchewan, Respondents . . . The board found that the respondents had committed an unfair labor practice within the meaning of Section 11(1)(e) and (o) by using coercion intimidation of an employee with a view to discouraging membership in or activity in or for a labor organization or participating in any kind of proceeding under this act, by interrogating employees as to whether or not they or any of them had exercised or were exercising or attempting to exercise any right conferred by this act. An order is accordingly issued.

The second instance, Mr. Speaker:

Order issued 276-74-5 Canadian Brotherhood of Railway, Transport and General Workers Local 44 (CLC). Applicant, Crestview Chrysler Dodge, Regina, Respondent.

The Applicant filed one application for reinstatement and one application for monetary loss in respect to one employee, alleging an employee had been terminated within the meaning of Section 11(1)(e) of The Trade Union Act 1972. The board found that the respondent did engage in an unfair labor practice within the meaning of Section 11(1)(e) of The Trade Union Act by discharging said employee with a view to discouraging membership in or activity in or the selection of a labour organization or participation of any kind in a proceeding under this act. An Order was issued accordingly.

Now, Mr. Speaker, there is not a labour relations board in Canada which could have ruled otherwise. I think this is an instance, Mr. Speaker, where actions by Crestview Chrysler Dodge and the member for Regina South were in clear contravention of The Trade Union Act. The act ensures workers of the right to organize in a union or to join a trade union. Following our democratic system, the union must represent a majority of the workers in a particular union before it can be certified. The act also clearly outlines the restrictions on both employers and workers and their union so that the individual employee can make his or her decision to join or not to join without fear of coercion or intimidation from each other or from any quarter.

Well, Mr. Speaker, to help to avoid situations like the preceding one, my department will be developing an educational program for employers on their rights and obligations under Saskatchewan law.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — The Department of Labour, looking forward to the 1980s has been studying new approaches to labor relations. These vary from new techniques for collective bargaining to innovative methods in solving labor relations disputes. Our department stands ready to help the workers and the employers of this province to improve the industrial relations problems and the industrial relations climate in our province.

As I stated before, Mr. Speaker, our view has been that sound industrial relations must be grounded in the conviction that free collective bargaining can effectively solve the

problems between management and labor.

At the recent first ministers' conference, our Premier put forward a proposal that a thorough review of industrial relations in the transportation sector be undertaken by the Canadian Labour Congress, the trade unions and the representatives of the business enterprises directly involved. This proposal does not include any third party so that the solutions that the bilateral review brings forth will be solutions that labor and management have worked out themselves. I'm hopeful that these solutions will result in the improvement and the rationalization of the collective bargaining process in the transportation sector and particularly, Mr. Speaker, in the grain handling industry.

Mr. Speaker, on the threshold of a new decade, with a new term of office being heralded in by this new budget, we look forward to a bright future of progress for workers' rights. Our concern about the rights of working people also encompasses a special situation relative to women in our work force. Our government has always placed a very high priority on improving the status of women in Saskatchewan.

Mr. Speaker, early this year I was pleased to announce that the amalgamation of the Career Development office of the Department of Finance with the Department of Labour's women's division. The new womens' division will have all of the functions that the two offices had previously except for career counselling of government employees which will be done by the Public Service Commission. These duties include education and information programs, research, the administration of equal pay provisions and maternity leave provisions of The Labour Standards Act and the affirmative action programs for the public sector.

In addition, Mr. Speaker, there will be three new mandates for which the women's division will also be responsible, including affirmative action programs and career counselling in the private sector and authority to review legislation and programs to ensure that there is no discrimination against women.

A study is being conducted to determine the most effective way to implement the affirmative action programs for government and the Crown corporations. As well, a consulting service on affirmative action will be developed for the private sector. A review of government legislation and programs will be one of the major tasks of the new women's division.

Mr. Speaker, I think this move reaffirms the government's commitment to improving the status of women in the province of Saskatchewan. Having both of these offices under a common organizational structure will result, I believe, in a great deal more being accomplished than has been possible in the past.

Mr. Speaker, the vital contribution of working people to the economic and social development of our province cannot be exaggerated. The measures which I have outlined are intended to lead to even more effective realization of the objectives of government labor policy, namely, the promotion of the welfare of the work force to encourage the continued development of the province in a rational, equitable and orderly fashion. So, Mr. Speaker, this budget carries on the New Democratic tradition of progressive and innovative programming. We have accomplished a great deal in the past, we are undertaking some exciting new programs in this budget. The future is bright and it's promising for the people of Saskatchewan. I will be exceedingly pleased to offer my support for this budget.

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SOME HON. MEMBERS: Hear, hear!

MR. L.W. BIRKBECK (Moosomin): — Mr. Speaker, it's with pleasure again that I rise this evening to debate this budget: I must admit it's a bit more of a document than was the throne speech. Although one must question whether it has much more in it, if it's going to be of a real and true value to the people of Saskatchewan.

Mr. Speaker, before I get into the text of my remarks this evening I want to thank you and the members of this Assembly for the opportunities that are provided here for the members of this Assembly to speak freely, and to speak on the issues, voice their opinions, as they themselves as individuals see them. I would also take this opportunity, Mr. Speaker, to congratulate you. I made mention of it in my remarks to the throne speech. You were not in the chair that night. I would take this opportunity when you are, to thank you for your election to the chair again for this, the 19th legislature. As was previously stated I expect to see the impartiality displayed as in the previous four years.

Mr. Speaker, I want to say just a few words about the comments that have been made, previous speeches. As I said, these members are expressing their views, they have a right to their views. We don't necessarily agree with them — and I'm sure you don't necessarily agree with our comments. But it's in that light, Mr. Speaker, that I thought about what my remarks were going to be this evening regarding this budget.

I was, Mr. Speaker, searching within myself for a reason for each of us to be taking our place, and obviously shooting back and forth. And surely, Mr. Speaker, it must raise the question, why are we here at all? especially, Mr. Speaker, for those members on this side of the House. Because regardless of the legislation that is introduced, regardless of the worth of the throne speech. regardless of the worth of the budget, regardless of the worth of any legislation that is brought to this Assembly, this government with its majority will pass it.

AN HON. MEMBER: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, regardless of the worth of the motions put by members of this side of the House, regardless, Mr. Speaker, of the worth of the bills that may be put by members of this side of the House, this government as in the past will unanimously stand and all vote together to defeat us on this side of the House, but only, Mr. Speaker, for political reasons. Not for any other reason will they do that. Surely, Mr. Speaker, that is evident when you see 43 members of this government side of the House all stand unanimous on the votes.

Now, Mr. Speaker, there is one member, the member for Saskatoon Sutherland (Mr. Prebble), who I believe has a mind of his own. I would like to see that member . . . oh, the members, Mr. Speaker, laugh when I suggest that that hon. member has a mind of his own. You can laugh at your own members if you like, Mr. Speaker. These people can laugh at their own members and think that is a joke and I tell you that hon. member won't think that is a joke when he finds that out tomorrow. I tell you, Mr. Speaker, that member does think for himself. I see him leave this Assembly in disgust. I see him leave in disgust when he is watching legislation and statements from his own government side of the House. You don't see him, you don't see his reactions because, Mr. Speaker, this government has him sitting at the back. How could they see his reactions? Now, they are still laughing, Mr. Speaker. They still think that is funny, in particular his seat mate. Well he is a big fellow and he can keep him in line, I am sure.

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None the less, Mr. Speaker, the point that I am trying to make is that we have, in this Assembly, in this 19th legislature, a majority government that is going to be arrogant and rule this province as they see fit, and only as they see fit, and not by the wishes of the people but by their ideological and philosophical whims and wishes that may happen to pass through their vacated minds.

Now, Mr. Speaker, surely there are a number of members on that side of the House — and I believe there are — I believe the member for Regina Lakeview (Mr. McArthur) is such a member. I believe he is. I believe he has the capabilities. I think, possibly, within the next two years these members will see that they have the opportunity to stand and speak what they believe and not what is the government policy or the government position only. Well, I am optimistic, Mr. Speaker, I am optimistic.

Now, Mr. Speaker, my seat mate happens to have a book entitled *Man's Search for Himself*. Now, of course, Mr. Speaker, the Minister of Labour (Mr. Snyder) has unfortunately left the House and I would make some comments regarding the Minister of Labour, that if he were ever in a search for himself I would hope that he would not find himself, because he may have to commit himself for a decade. Now, Mr. Speaker, surely we have ministerial irresponsibility on the part of the Minister of Labour. The Minister of Labour in his remarks which through 80 per cent of, I had no real argument. The Minister of Labour usually presents his speech in the context that he sticks to what he knows. It may be the only thing he knows, but it's what he knows and that's labor.

Now, Mr. Speaker, when he moved off of that and took his place with the majority of the members on that side of the House, on the government's side of the House, in their continual attack, personal attack on members of this side of the House, Mr. Speaker, I have to take some objection to that approach. Surely the personal affairs of the new member of this legislature, the member for Regina South (Mr. Rousseau), cannot really be pertinent to this legislature. If any member of this legislature can explain to me how the personal and previous personal business of the member for Regina South has any relation whatsoever to the business of this Assembly, then Mr. Speaker, I ask that member to stand and take his place and explain that to me.

Mr. Speaker, what we should be doing on this side of the House, if we didn't have principles, if we didn't have some honor and dignity, if we were not men of integrity, we would be looking and looking deep for a file that we could pull on those members opposite for some dirty low piece of information that we could lace these members in the legislature with. Now surely, Mr. Speaker, this government with its majority; it has its majority; it has its mandate — from the people of Saskatchewan in the October 18 election — it has its mandate to rule and to govern and to dictate as well. For that matter, Mr. Speaker, then I ask you. and I ask again the members of this Assembly, why would the Minister of Labour have to stoop so low? Why would he have to do that I don't know. To make a personal attack on the member for Regina South . . .

AN HON. MEMBER: — Cheap shot.

MR. BIRKBECK: — Just a cheap shot, that is correct. That's all it is and, Mr. Speaker, the people of Saskatchewan should know. Mr. Speaker, the people of Saskatchewan will know. We'll be sure that they all know what the comments of that Minister of Labour were.

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Now, Mr. Speaker, let me turn now to some of the comments by the member for Regina Lakeview (Mr. McArthur). Let me say, Mr. Speaker, that I commend the member for Regina Lakeview for presenting a good speech in this legislature. He had his facts down. He had his philosophical approach there in place and he made a good presentation. He made a very good presentation, Mr. Speaker. And as I said previously, I don't necessarily agree with all that member had to say, but, Mr. Speaker, I appreciated the honorable way in which he presented it here in this Assembly.

Now, Mr. Speaker, the only thing that I would maybe remind him possibly of is that he referred to his government and his party as the 'people's keeper' — 'this government the people's keeper.' Well, no truer words were ever spoken, Mr. Speaker. They even have some examples. Mr. Speaker, to prove that in fact they are 'their brother's keeper.' They have the former member for Arm River defeated by our member for Arm River (Mr. Muirhead) who, unfortunately, is not in the House tonight. Now that member was defeated in the 1978 election. He was defeated at the polls. The people in that constituency, Mr. Speaker, and Mr. Attorney General, did not give that member a mandate to do what he wanted. But, Mr. Speaker, and I will remind the member for Regina Lakeview (Mr. McArthur), your government, in keeping with its brother's keeper, felt it incumbent upon themselves to keep that former hon. member for Arm River. Now, Mr. Speaker, that's not the only one that they've kept. Who else are they keeping or have they kept?

Well, we have the new member now for Kinistino (Mr. Cody). Now as I understand it, in going back over the history in the course of events in this wonderful province of ours, Mr. Speaker, I find the member for Qu'Appelle defeated that member in the 1975 election when the famous magnificent seven were elected. And in that interim when he was not a member of the legislature, it is to my understanding that he too was kept by this government. So, Mr. Member for Regina Lakeview, you're correct. That's example No. 2 — you are 'your brother's keeper.' I don't know whether I am your brother or not because if I had lost the election in my constituency I really don't think, Mr. Speaker, this government would have hired me. I really don't think they would have.

AN HON. MEMBER: — You don't know talent.

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MR. BIRKBECK: — No, that's true, the Member for Indian Head-Wolseley (Mr. Taylor), because they wouldn't recognize talent if they saw it. Now, Mr. Speaker, it would seem that in 1978 we elected a new member for Meadow Lake (Mr. McLeod). We thought he would be the tallest and the biggest man in the legislature but unfortunately we placed second there. None the less, Mr. Speaker, he defeated the former member and now I understand that former member is kept by this 'brother's keeper' government. We shouldn't really forget that cliché, 'the brother's keeper government'. Mr. Speaker, I see that there's one other example that we may as well refer to and that is the former member for Estevan. He was defeated by our member for Estevan (Mr. Larter) who was victorious in '75 and again in '78. Now we see that member is, in part, kept in terms of at least prestige. Mr. Attorney General. I realize that he's not receiving any sums of money but none the less . . .

AN HON. MEMBER: — Don't be too sure.

MR. BIRKBECK: — Well, yes. I'm not too sure but, Mr. Speaker, again he's kept in abeyance. They've got him on cold ice until they need him. They're training him and bringing him into the true socialistic front . . . (inaudible interjections) . . . Yes, the hon. member for Indian Head-Wolseley (Mr. Taylor) refers me to it. It's the annual report to Saskatchewan Centre of the Arts and it's clearly there — chairman of the board. Well, none the less, keep him in the fold. You may need him sometime. Now, Mr. Speaker, the member for Moose Jaw wants to read a book. Have you got another copy of that? You should send him one. He wants to read a book.

AN HON. MEMBER: — You'll find yourself; you may drop your membership . . .

MR. BIRKBECK: — You should ask the Minister of Revenue for a book to read because he doesn't charge any taxes on those books. That might be appropriate for your mind.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, it's too bad the Minister of Labour is now back in his seat. He missed what he should of heard but I'm sure that he'll look in the Hansards and he'll see that my remarks were, I think, well taken by all members in this House. While you were out, Mr. Minister, the other members of the Assembly, even your government's side of the House, who have been very funny over there lately didn't even laugh when I made the comments regarding you.

Mr. Speaker, let me go a little further to look at what the government has been saying with regard to its election commitments that were kept. Well, they were kept, Mr. Speaker, but let's not, at the same time, let the people forget nor let these members of government forget that those promises were kept with the people's tax dollars. In fact, they were kept with the tax dollars of all of us on this side of the House as well.

AN HON. MEMBER: — Bribe them with our money.

MR. BIRKBECK: — That is a very important point, Mr. Speaker, for all to take note of. Programs provided by this government, whether it's an election year or whether it is not, are kept with the taxpayers' dollars. Now, Mr. Speaker, I have heard the minister responsible for Saskatchewan Power Corporation (Mr. Messer) refer to the increased price of natural gas being caused by that terrible Tory Alberta, gouging Saskatchewan, gouging the Saskatchewan consumers and the Minister of Telephones (Mr. Cody) agrees. Today, one of the other members (the Moose Jaw twins) referred to this again;

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he made reference to Alberta gouging the provincial government in its efforts to purchase gas from Alberta. They used that argument, Mr. Speaker, in their debates here in this legislature on the budget. They have used them many times but when we suggested that they cease to use natural gas from Alberta and start to uncap some of the Saskatchewan wells and use our own Saskatchewan gas, then oh no, that was a joke. That was just a laugh. Why we had to use this mix of Conservative and NDP gas — and I might add there's more gas on your side of the House than there is on this. Now, Mr. Speaker, we had to have this mix in order that we could keep the price uniform over the years and we'd have gas for future generations in Saskatchewan.

Surely you can't use this argument both ways. I mean, you're either going to use it one way or the other. Now is Alberta gouging you or are they not? . . . It's a little quieter now they understand that, that they can't use both arguments.

Mr. Speaker, that has to be a point that has to be well taken by this Assembly. Surely, as I said, you can't use it both ways.

Mr. Speaker, the government refers to the agriculture department and its reinstatement of the rebate on the farm fuel. Why I never heard of anything quite so preposterous. We asked that this be brought in when they took it out initially, and they said, no. Election time came along, Mr. Speaker, and then they said, 'oh yes, that's a wonderful thing and we'll promise the farmers a rebate now on their farm fuels'. Now then I don't know when you're taking it off. I would hope, Mr. Speaker, that when they rise to speak one of those other members might tell me when they're going to take that rebate off again. So what they're doing really, Mr. Speaker, is they're using things of this nature to their own political advantage.

Comments were made that suggested that agriculture is fuelling the provincial coffers. Well, I agree, Mr. Speaker, agriculture does fuel provincial coffers and provide for a lot of the programs and a lot of the services and a lot of the high standard of living that we enjoy here in Saskatchewan. Mr. Speaker, I agree, as I said, with that. But, Mr. Speaker, I don't know that the Premier agrees with that. Members may not recall, one day in the House, when the Premier took his place in debate (and I don't even recall what we were debating that day) but none the less he went on and on and on about all of the wonderful programs that this province has — education and the health program. Wonderful programs! And when he got finished, Mr. Speaker, he said we are providing all of this for the people of Saskatchewan from our resource industry.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Right from the ground. A very earthy statement by the Premier — provided for by the resource industry. My question, Mr. Speaker, was, Mr. Premier, if you're providing for all of these wonderful social justice programs in Saskatchewan with the resource industry, would you mind telling me where the profits from the agricultural industry are going? Which is the number one industry and, in fact, provides for over half, in fact more than all of the other industries put together, to the gross provincial product . . . (inaudible interjection) . . . now he didn't know that . . . (inaudible interjection) . . . he didn't know that either. Obviously he didn't. But, Mr. Speaker, again the point I want to make is that they use the same argument two different ways, and I say you can't have that argument one way one day and another way the next . . . (inaudible interjection) . . . well, Mr. Speaker, that's possibly what it could be. The member for Souris-Cannington (Mr. Berntson) suggests it's socialist flip-flop. Well, it could be . . . (inaudible interjection) . . . yes I'll bet.

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Mr. Speaker, I would like to, although again he's not present in the House tonight, make few comments regarding the mayor and member of this Assembly. He lays claim that government spending is good. He feels that we should have planned government spending, planned borrowing, and subsequently, Mr. Speaker, planned debt. And only about five minutes later in the text of his remarks Mr. Speaker, he says, and do you know, he says, and he's there, he's really there, the federal government is on the verge bankruptcy? Why, Mr. Speaker, why is the federal government on the verge of bankruptcy? They didn't plan their debt, and this government can't plan their debt, because it's going higher and higher every year. The fourth deficit budget in a row, and what does the Minister of Finance (Mr. Smishek) do? Why, he slumps in his chair and fiddles with his wristwatch, trying to figure out what time of day it is and when he might balance the budget.

Mr. Speaker, surely, there has got to be some sense eventually coming from that side of the House. Surely, Mr. Speaker, screening out some of the comments that are made in jest, as soon as those comments are screened out, there is a point made, and surely, Mr. Speaker, they haven't got such deaf ears. They're not that lacking in intelligence to see what I'm trying to say, and possibly we could come eventually to some terms of agreement and work together as an Assembly of 61 members, because quite frankly, we don't want to fight you every day . . . (inaudible interjection) . . . it's true. The Attorney General (Mr. Romanow) says oh, yeah, well, he's right, and I'm right on this and he agrees. We want to work with them in the areas which will be of benefit to the people of Saskatchewan . . . (inaudible interjection) . . . yes, Mr. Speaker, I can understand the minister responsible for SPC (Saskatchewan Power Corporation) (Mr. Messer) having some fears that possibly we might be sitting on that side. None the less, we'll deal with the issues when the time comes.

Now, Mr. Speaker, I want to make a few comments with regard to agriculture. I know the Minister of Agriculture (Mr. Kaeding) is somewhat relieved that he doesn't have me on his tail anymore but, and I see he isn't in the House again tonight, none the less, he has been . . . (inaudible interjection) . . . yes, Mr. Speaker, the Minister of Agriculture has suggested that there will be more dollars invested in irrigation. Well, Mr. Speaker, I suggest that it's high time that this Minister of Agriculture started to think about ways and means in which this province could bring itself into a position where it would be self-sufficient at least in vegetables. Maybe we could use some from that side of the House, that would help the problem that we have. But none the less, he's going in the right direction when he talks about irrigation to provide for vegetable production in the province of Saskatchewan.

Now surely, if a small island like Prince Edward Island can be number one potato producing province, a big province like Saskatchewan . . . we've got enough waste land, we've got enough marginal lands that we could put into this type of production with irrigation. I concur 100 per cent with the Minister of Agriculture so I don't really appreciate the interruptions from the Minister of Finance, but I'm agreeing with their minister, Mr. Speaker, the proposals that they are putting to this Assembly. Mr. Speaker, the problem there is that he comes right around and he takes all of the good away from a good program by saying, 'and then we are going to establish and put into place a marketing board to deal with all this vegetable production'. So what are we going to end up with? We're going to end up with a bunch of big multinational vegetable producing corporations. We're not going to end up with a lot of smaller producers that can get into it and make a few dollars. So I condemn the Minister of Agriculture on that point.

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He talks about 12 per cent of purchased land bank land. Well I think that surely verifies my comments. When he announced the new policy, I said no, \$1,000 a year is no incentive whatsoever for people leasing land bank land to buy it. And it isn't. Members on that side of the House realize that; surely we on this side of the House realize that. This government's intention is not to sell land bank land. They have now tripled the amount of money which will be spent on land bank land from \$100 million to \$300 million. So their intention is not to sell but to buy and buy more and more and more. Now, Mr. Speaker, I really don't need to go into any depth regarding land bank. All members know what my feelings are. But let me suggest to you that in speaking to the first purchaser of land bank land and providing him with our option as opposed to yours and asking him what program he would have opted for given an option, he said well, definitely yours. Now again, Mr. Speaker, I ask these members of government, who again laugh at that, to be in touch with Mr. McKnight of Duval. Give him our proposals — if you haven't got a copy of what our proposals were regarding land bank, then if you will come to our agricultural critic, the member for Rosthern, I am sure he would be more than happy to provide you with a copy. You would find, Mr. Speaker, and members of this House, that that new purchaser of land bank land, the first one to purchase, would have opted for our program over this government policy. Now that is a fact. They can call him and verify that if they like, as I did.

AN HON. MEMBER: — How many other packages have you sold yet, John?

MR. BIRKBECK: — He wasn't happy about losing \$22,000 to the provincial government — not at all. He would have been glad to pay capital gains tax on \$11,000, even realizing that this government didn't pay any capital gains tax because the federal government does not make a practice of charging provincial government capital gains tax.

Mr. Speaker, the former Minister of Agriculture, says, how did he lose it? Well, you know how he lost it. Had he opted for our policy at the time of purchase, he would have had title to that land and he would have been able, Mr. Speaker, to make that \$22,000 profit had he so chosen. But because he did not have the title to the land under the NDP government's proposals and program under land bank, he did not have that option. They were the ones who made the \$22,000; they were the ones who profited on the future lands for the Saskatchewan people.

AN HON. MEMBER: — I feel the urge to make a speech.

MR. BIRKBECK: — All right, Mr. Minister, I would welcome you to make a speech.

Now, Mr. Speaker, the Minister of Agriculture said that he drove around the province talking to poor farmers. Well I wish he had driven another 100 miles because if he had, he would have lost the 70 vote margin that he won by. Now, Mr. Speaker, I don't run into a lot of poor farmers as such. I refuse to go much farther on that point. It might be difficult to refrain from saying things I shouldn't.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Now, Mr. Speaker, I know that it is not incumbent upon members in this House to use four-letter words, so for that reason I will use a six-letter word, and it is a six-letter word which offends this government. That is, 'profit'. Now, that is the

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problem with this government in every program they have. They do not want to see individuals in Saskatchewan make a profit. This NDP government is the one that wants to make a profit.

The Minister of Agriculture talks about the funding in the hog industry and how he is supporting the hog industry. I tell the Minister of Agriculture that Quebec is the number one producer of hogs, and not only are they the number one producer of hogs, they are producing those hogs on Saskatchewan feed grain.

Mr. Speaker, the Minister of Agriculture was unsuccessful in putting forth a grain policy which would allow western Canadian cattle producers and livestock producers of all descriptions to use western Canadian grown grain, less the freight charges to Thunder Bay.

Now, Mr. Speaker, I think that's a shame. It's a shame. Prince Edward Island leads the way in vegetables; Quebec leads the way in hog production; we lead the way in national and provincial debt.

AN HON. MEMBER: — Right on.

MR. BIRKBECK: — That's what we lead the way in. If we're not out front now, Mr. Speaker, we soon will be at the present rate they're going. Now, Mr. Speaker, we on this side of the House suggested more funds for research, and, Mr. Speaker, thank goodness there are more funds now provided for research.

AN HON. MEMBER: — Per capita?

MR. BIRKBECK: — Hopefully, Mr. Speaker, in light of a consumer's concern that our produce in Saskatchewan is becoming contaminated with herbicides and pesticides and the like, that part of this research — and I suggest, this Mr. Speaker . . . (inaudible interjection) . . . and if I may interrupt my hon. seat mate at the moment, since I would really like to make a very important point, that I would like very much for the Minister of Agriculture (Mr. Kaeding) for this government to utilize part of that research funding to assist in a lesser use of herbicides and pesticides in particular because of the increasing costs for those chemicals, and as well because of an increasing concern, Mr. Speaker, by consumers.

Mr. Speaker, the Minister of Agriculture referred to the 15 per cent reduction in the Department of Agriculture in Manitoba. Now, Mr. Speaker, again it's unfortunate that the minister isn't here but the other members will convey the message . . . well if you can, take notes . . . none the less, Mr. Speaker, that 15 per cent was comprised in particular in two areas: number one, they were in the business of manufacturing ladders, would you believe, in the Department of Agriculture. They had a ladder manufacturing plant. The Progressive Conservative government that took office did not really feel that they should be building ladders in the Department of Agriculture. Possibly it was to climb themselves out of the mess they'd created — the Schreyer government. Mr. Speaker, the other thing, and the other part of that 15 per cent was that the Department of Agriculture was involved in, would you believe, the housing industry. They were building houses. So they simply transferred those two to the proper departments. Now if we had Sask Housing in the Department of Agriculture, Mr. Speaker, and removed it from the Department of Agriculture to a new department, then surely it would show a decrease to that department. Now there's two things right there. It surely was in nonessential and non-productive areas that constituted that 15 per cent. So, Mr.

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Speaker, the Minister of Agriculture did not make a valid point, not at all.

Furthermore I was very surprised, very surprised, Mr. Speaker, to hear some of the comments from the Minister of Agriculture. He says that he's against the Canadian Wheat Board — the Minister of Agriculture. We asked him if he took a case to the Canadian Wheat Board, if he opposed purchasing hopper cars. No, he said, I didn't. He didn't do that. In particular, Mr. Speaker, when the Saskatchewan Wheat Pool supported the stand that I had taken and issued a news release condemning the Canadian Wheat Board for purchasing hopper cars — I was supported in that by the Saskatchewan Wheat Pool and the Minister of Agriculture does not and I surely don't understand that, I really don't understand that.

Furthermore, he goes on to say — and for a member who is just hanging on by the seat of his pants, Mr. Speaker, for a man to take a position opposing the Rt. Hon. John Diefenbaker, the former Prime Minister, is really quite unbelievable.

Now, Mr. Speaker, the last reference I would want to make regarding the Minister of Agriculture is the pasture rates that we have, the community pasture rates. It was said that these rates would more or less be consistent with the price of cattle. Now, we have noted, Mr. Speaker, that the pasture rates have increased at a time when cattle prices were low, at one of their lowest points.

Now, Mr. Speaker, I am going to put the question to this government, and again, maybe one of their hon. members could stand and answer, but I would predict that pasture rates, in keeping with their suggested policy, are going to increase and increase sharply,

Further, if I might just take a look at some of the . . . (inaudible interjection) . . . Well, Mr. Speaker, the member for Kelsey-Tisdale (Mr. Messer) wants me to tell him a lot of things and I have a lot to tell him but I haven't got time tonight, Mr. Speaker. If he wants me to introduce an amendment or something so that I can go on again? Well, if you keep listening I will finally get you clued in.

The Minister of Agriculture, in his speech, says that Saskatchewan farmers have just come through a period of depressed beef prices. Wow, isn't that wonderful news! Was there anyone here who didn't know that? Was there anyone in Saskatchewan who didn't know that? That statement is something like the Minister of Agriculture's news releases from his department. It is something like some of the news releases that come out of the Minister of Highway's (Mr. Kramer) Department . . . (inaudible interjection) . . . That's right, don't wake him up.

Mr. Speaker, those comments that are related to department news releases are so simplistic as to suggest that the roads are improving because the snow is melting away. Surely, Mr. Speaker. Then he goes further to say — to assist farmers to maintain and expand their beefing herds, FarmStart approved 3,086 beef loans, for a total of approximately \$50 million.

Mr. Speaker, you will recall and I am sure members on this side of the House recall when we pleaded with this government to stay out of the beef industry in terms of its superficial support that they are the ones who created a surplus of cows. They didn't understand that that cow, in three years, would likely in all probability, have a calf. Now, Mr. Speaker, that is exactly what happened and we ran ourselves into a surplus to calves and then, Mr. Speaker, the government had to come on looking like they again

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were the supporters of the small farmer and they were going to save the farmer and the poor little calves. So they had these loans that they made. Now, Mr. Speaker, what happened a year later? The loans were supposed to be repaid, but the prices hadn't increased, not at all, and the calf still wasn't worth anymore than \$75 even after a year's time. Things were bad then. But, Mr. Speaker, there is a time when government involvement and government spending, grants to certain sectors can be very beneficial. Mr. Speaker, when the government tinkers in the market place and artificially brings people into production who really are not meant to be in production, who not necessarily wanted to be in production . . . (inaudible interjection) . . . but said well, it's there and it's free and it's provided. Why shouldn't we go into it? If we don't get the money, somebody else is going to get it. Mr. Speaker, the former Minister of Agriculture understands what I am saying. He knows that if you stay out of the market place, quit tinkering around with it, there will be some stability . . . (inaudible interjection) . . . and you ask the Saskatchewan cattle producers today if they want government assistance. They don't . . . (inaudible interjection) . . . Well, I'll come up in your area. Hopefully, during the next election I'll come up.

Mr. Speaker, I won't refer to any more of the land bank. I think that the position is quite understood there. These are the Minister of Agriculture's notes. I don't happen to have any notes . . . (inaudible interjection) . . . None the less, those are some of the comments of the Minister of Agriculture.

Mr. Speaker, there seems to be most definitely a problem with this government.

AN HON. MEMBER: — You're not kidding.

MR. BIRKBECK: — Not only that, Mr. Speaker, but the problem and the confusion that they have in their own minds is being transferred to the residents of Saskatchewan. Now I really should not criticize them for that because that's exactly what they want to do. They want the people of Saskatchewan to think like they do, just like the members on that side of the House all think alike. They all follow one philosophy . . . (inaudible interjection) . . . and that philosophy, Mr. Speaker, is perpetrated by none other than the Premier of Saskatchewan . . . (inaudible interjection) . . . The Premier is at the head of all of this and he is the minister most accountable the first minister in this government. Now how is this happening Mr. Speaker? Very simply. There seems to be a confusion, Mr. Speaker, between socialism and social justice programs.

AN HON. MEMBER: — Jealousyism, not socialism.

MR. BIRKBECK: — Well, whichever.

AN HON. MEMBER: — Jealousyism.

MR. BIRKBECK: — Mr. Speaker, let me attempt now to describe to hon. members of this Assembly the difference between socialism and social justice programs. Possibly, Mr. Speaker, this message could be taken to the rest of the people of this province, and then they, too, could understand the difference. Then they would understand that not only a socialist government can provide for good health, good education, social programs in the Department of Social Services — not only a socialist government can do that.

So, Mr. Speaker, let me say, since I am a member of government, and since government solves and causes issues and problems in society, let me talk briefly on the subject. Let me discuss vital issues of the day such as individualism, the competitive enterprise

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system and socialism. In Saskatchewan we hear a great deal about socialism versus the free enterprise system. We hear a great deal about social welfare programs. This leads us to a couple of good questions. The questions I've already put. What is socialism? What is social welfare?

There is a big difference. A difference which society seems unable to understand. To begin with, we in the Progressive Conservative Party see social welfare as social justice programs. The lack of understanding between socialism and social justice programs causes human suffering and destroys individual initiative in our nation and in our province. Social justice programs are the investment by any government of some portion of the nation's income in programs of social value such as education, health, pensions, unemployment insurance, social assistance and so on. Socialism is the ownership and operation by the state of the assets and means of production of the nation.

The recent potash legislation was a typical socialist program. The alternative to this is our competitive enterprise system whereby the means of production are mainly operated by individuals or groups of individuals.

Mr. Speaker, the competitive enterprise system and socialism have nothing to do with social justice programs. But in this province our socialist government has convinced large numbers of people that only its system will provide social justice programs. That, simply, Mr. Speaker, is not true.

The main concern of society, and society through government, should be to maximize the nation's income so that when money is desired for social justice programs it will be available. Will socialism or the competitive enterprise system best achieve this goal?

The basic reason for economic failure of socialism is that it tends to discourage freedom of action and individual initiative. It is most unfortunate that many of our citizens equate socialism with social justice programs. Because of this they tend to support socialist parties emotionally and politically. We do not have to have a socialist government to have good social justice programs.

AN HON. MEMBER: — Right on.

MR. BIRKBECK: — Now, Mr. Speaker, individual freedom is the right to be wrong, not the right to do wrong. Today in our society we often hear these two phrases — individual freedom and individual initiative. I fear many of us seem to be apologetic in these areas. What is wrong with individual initiative?

AN HON. MEMBER: — Nothing.

MR. BIRKBECK: — A desire to better oneself . . .

AN HON. MEMBER: — Nothing wrong with that.

MR. BIRKBECK: — Should there be anything wrong with seeking satisfaction through personal achievement? . . . (inaudible interjection) . . . Well, in reply to that comment from the member for Indian Head-Wolseley (Mr. Taylor) I say yes, Mr. Speaker, the member for Kelsey-Tisdale (Mr. Messer) does know that because he has been very successful in his personal endeavours, in particular economic endeavours, and any endeavours I'm sure that that member would attempt would be successful, because, Mr. Speaker, that

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member is an individual. For me, Mr. Speaker, on this side of the House, it hurts, it simply hurts to see a member like that sitting on that side of the House . . . (inaudible interjection) . . . and I don't blame him for leaving, I don't blame him, Mr. Speaker.

Mr. Speaker, I ask you this. Where would this country be, Mr. Speaker, where would it be if it were not for the members like the member that just left this chamber. Where would it be, Mr. Speaker, if our pioneers had lacked individual initiative? Where would we be if they had not had freedom of choice? Mr. Speaker, socialism says we will nationalize so that the people own it. That is an illusion. We all own the resources of a nation. But under the competitive enterprise system we, as individuals, develop those resources. Mr. Speaker, when socialists suggest that the people will own property under their system . . . (Mr. Speaker, the member responsible for the environment would do well to listen, he really would) . . . when the socialists suggest that the people will own property under their system, we should ask, one, how he sells this property. If I can't sell, Mr. Speaker, what I supposedly own, then I don't feel that in fact I own it. Mr. Speaker, why is today's society so apathetic? I feel because our society is being stripped of its individual initiative and responsibility. Government is becoming more powerful over each of us in our daily lives.

AN HON. MEMBER: Hear, hear!

MR. BIRKBECK: — People are simply surrendering themselves to government and Mr. Minister responsible for the Saskatchewan Government Insurance Office I would tell you and maybe do the same to you, Mr. Speaker, as I refer to this member responsible for Saskatchewan Government Insurance that we will do the same to you as your Minister of Labour did to one of our members. That if I'm successful, Mr. Speaker, in pulling a file on that minister I'll show that he's irresponsible and I'm working on it. You can be sure I'm working on it. I suggest, Mr. Speaker, that who I've been talking to has taken just the approach that I have just stated — people in this province are just being apathetic; they are just surrendering, surrendering themselves to this government because they're afraid to do anything else.

Now, Mr. Speaker, people are simply going to take, have to take an opposite approach to the one they have now. Democracy itself is at stake since it rests upon a critical and questioning attitude of its citizens. Who's asking questions? Who's being critical? Mr. Speaker, as government grows and is run by only a few (like right now in Saskatchewan by a dozen or so even though there's 43 on that side of the House.) I can be sure only a few are making the major decisions. Our citizens feel they no longer have a say in the running of their daily affairs and to a large extent, they don't have a say. For this reason, I believe, people are losing faith in their governments. They feel that big bureaucratic governments have no room for the individual or the respect for the common man or his needs. Mr. Speaker, let us look at what our federal government did. They said they would fight wage and price controls when the hon. member Robert Stanfield suggested he would introduce wage and price controls for 18 months. Not long — only a few months after being elected — Pierre Elliot Trudeau introduced wage and price controls.

Mr. Speaker, governments of the day are campaigning on one philosophy, saying one thing during an election campaign and turning around and doing yet another. Mr. Speaker, let me refer to the 1975 election of this provincial government. They made no mention that they were going to nationalize industry, no mention whatsoever. And then bang they hit us with bills No. 1 and No. 2, the potash expropriation and subsequently, the Government of Saskatchewan owned the potash industry. No mention, Mr.

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Speaker, of this during the election campaign — deceptive!

Mr. Speaker, I feel that Canadians are looking for leadership in their governments. It is time for governments to stop interfering in our day-to-day lives. Mr. Speaker, we as responsible citizens of this province and of this country must take a position against big, bureaucratic governments that have overstepped their mandate — being elected to government does not mean to say that they can do what they like.

Mr. Speaker, I have pointed out this evening that our citizens do have many misunderstandings regarding our economic system and competitive enterprise system. It is misunderstood to the point where, as I have said before this evening, profit (a six letter word) is a dirty word. Now, Mr. Speaker, I would suggest that we launch a program to explain the benefits which society receives through profit motivation. Whether it be as a group or as individuals, we can do much to change the attitudes throughout society. I challenge the people of Saskatchewan to get involved in the political process, to stand for what they feel is right and oppose what they feel is wrong. Again, as I've said before, there are members on that side of the House that I feel want to stand up and oppose what they feel is wrong. I feel that there are members there who do want to stand and support what they feel is right. I'm asking them, Mr. Speaker, to be individuals, gain our respect and stand up.

AN HON. MEMBER: — Me!

MR. BIRKBECK: — Mr. Speaker, if we can encourage citizens across our great country to take these kinds of stands then democracy will succeed and individuals, as you and I, can control our governments and be part of them. Mr. Speaker, the individual then will have an identity. Mr. Speaker, they then will have initiative and responsibility. Mr. Speaker, the governments then will be our servants and not our masters. Mr. Speaker, let us reverse the trend to big governments. Let us put more authority and control in the hands of local governments. Let us give ourselves a direct voice in our daily lives. Mr. Speaker, democracy, like love, can survive any attack but not neglect and indifference.

Mr. Speaker, I suggest (and not only to the members of this Assembly but to the people of Saskatchewan) that if I am the only one that has to carry that message to the people of Saskatchewan, then I will carry that message. But that is their choice . . . (inaudible interjection) . . .

AN HON. MEMBER: — Just getting warmed up.

MR. BIRKBECK: — Mr. Speaker, if there is any member of this Assembly who does not agree with what I have just said regarding the lack of control by the people of Saskatchewan on the governments of Canada and on the government of Saskatchewan, and for that matter, yes too, the government of Ontario — that Tory province. People have lost control. They have! And let me, Mr. Speaker, with that . . .

Mr. Speaker, there are members in the back who don't listen and they don't understand when you do tell them . . . and I'm going to tell you I don't have time to repeat anything.

Mr. Speaker, let us take a look at some of the U.S. figures since our main concern regarding the budget is that it is a deficit budget. Now, the Attorney General says, 'so what,' to a deficit budget in Saskatchewan.

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Mr. Speaker, I ask the Attorney General and he can reply at any given point. In fact I would be good enough, kind enough, Mr. Speaker, to put the question in a general way to all the members in the House. Are you, as individuals, in debt? Are you in debt over and above what equity you have? Are you worse off now than you were five years ago? Well, I hear yes, no, yes, no, they don't know which it is. Well, Mr. Speaker, the point of the matter is this . . . (inaudible interjection) . . . Well I will ask my seat mate, Mr. Speaker, the very point that I am trying to make and is not very difficult to make, is that each of us as residents of Saskatchewan must balance our budgets, our own personal budgets. We can't just be broke half of the time otherwise we would all just quit working. Why do people work? They work to earn money to pay for costs of living, for the things that they want, And that isn't much different, Mr. Speaker, than government. It is providing, I suppose, for the demands of the masses, the public. But when the individuals have to balance their personal books this government says that we don't have to balance ours — four deficit budgets! The minister responsible for finance can't explain that, he can't explain that to anyone. It's all right for him to balance the government's books in a deficit, but all of you, as individuals, have got to balance your books. Now surely that has got to make some kind of sense, even to those members across the way, and I know the Premier understands what I'm saying. If he could balance these books, he would.

Now, Mr. Speaker, if this government would like to know where we're going with regards to deficit financing in Saskatchewan, deficit financing in the nation, federal government. Let us look at some of the figures. Well, let us look at some of the figures in the United States. In 1900, through to about 1916, the U.S. national debt was only about a billion dollars. Well, then it started to climb, and it just went up progressively and I'm moving now from the year 1916 on through to 1978-79. It just went up to 3, 12, 25, and going on up it hit \$137 billion in 1943. It hit \$303 billion in 1962. Now, Mr. Speaker, the U.S. National Debt is \$866 billion.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, I use this as an example to show this government and the federal government where deficit financing is taking you. Furthermore, Mr. Speaker, and Mr. Attorney General, you would agree that this is a horrendous situation in the United States. Would you believe that the taxes collected from the average U.S. taxpayer will only pay the interest on that \$866 billion for three seconds? Now if there were ever a reason for western Canada to not annex to the United States, that's got to be it. Mr. Speaker, that could be the underlying reason why the population of Saskatchewan has not risen any more than 100,000 since 1926 — 100,000 when in the rest of the country it has more than doubled. That's got to be one of the reasons because people don't want to live in Saskatchewan and inherit this legacy of debt that this government is going to leave them, a legacy of debt which is created by irresponsible ministers, Mr. Speaker. Now, surely, Mr. Speaker, if figures like that don't put these minds to work and make them think a little, then I don't know what's going to make them think.

Mr. Speaker, now if I might move into the main context of my remarks

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, there are a number of very important points that I have yet to make and I want to just very simply go down them point by point. As I have said I feel that it's irresponsible of this government, irresponsible of any government, to deficit finance. I believe it's due in part to irresponsible ministers or at least surely

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they're irresponsible in the fact that they're taking advice from people who are irresponsible themselves.

Let's look at the first point. It is that the people of Saskatchewan are being bribed — yes, bribed, with their own tax dollars. That's the first thing. A member says careful. There's no need to be careful. It's a fact of life that the people of this province are being bribed, in particular at election time, and in this Assembly, as they build to the next election by using taxpayer, dollars to buy votes.

Mr. Speaker, there was never a time in the history of this province when there was a greater demand or a greater dollar spent on grants. Now, Mr. Speaker, that, surely, is a comment that will have to be heeded by this government. We are not going to let them bribe the taxpayers of this province any longer with the people's own money.

Mr. Speaker, the fiscal policies that have to apply, as I've said, to individuals, must in fact be applied to governments. I don't single out the NDP on that comment. I suggest governments of any political stripe.

AN HON. MEMBER: — The NDP. Mainly the NDP.

MR. BIRKBECK: — Mr. Speaker, it may be very difficult for this government to understand, but I suggest to this Assembly that this government is breeding irresponsibility and the federal Liberal government as well is breeding irresponsibility. Their question is how are we doing that? How are we doing that? Wholesale castration, the member for Kelsey-Tisdale (Mr. Messer) suggests. Well, Mr. Speaker, there's no need, Mr. Speaker, to castrate anyone on that side of the House, as the Premier has already done his research and proven that Progressive Conservatives on this side of the House are very productive in more ways than one, and will continue to be so.

Mr. Speaker, this is one example of how you breed irresponsibility. Come a yearend when a particular community must make a decision as to whether or not to make use of a grant that's available, they tend to opt for that grant because, well, 'if we don't get it somebody else is going to get it' or at least, 'we'll miss out on it, we better grab it, we better think of something to build.' Furthermore, it creates animosity between communities. It has a community that gets a grant in one area and the next one didn't. So they're fighting with each other.

Now, Mr. Speaker, the Attorney General has asked me if I would do away with grants. I have enough courage, Mr. Attorney General, to stand in this Assembly and to suggest that we are going to have to take a very serious look at the grant structure in this province. We are going to have to take a very serious look! You, Mr. Attorney General, and your government behind you. You have got community recreational organizations in debt, like you're in debt, and they're going to have a heck of a time getting out of it. Now they really are!

Mr. Speaker, we know of communities that are just waiting for the next grant to be announced so they can get it, so that they can complete their rinks. Drive around. The Minister of Agriculture (Mr. Kaeding) may be on his journey as he meanders through the province, might fall in a deep hole or before he does, he might take a look and see that there are a lot of unfinished recreational projects in this province. They're unfinished because this government took them into a debt. I say that's how you bred irresponsibility. Yes, we are going to have to take a serious look. Mr. Minister of Labour, you listen. I listen when you are on your feet and if anybody needed their mouth washed

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out, you needed it. Now, and you needed to be here when I made my comments. You think I'm bothered by you. I could be bothered by someone 10 times you. Mr. Speaker, I haven't the time for the Minister of Labour. I will tell this government again that if there was a need to take a serious look at the grant structure; yes, there is. There's a need in this respect. It's one thing to provide so many communities with a white elephant. It's yet another to operate those facilities, with the Minister of Sask Power increasing the Sask Power rates because terrible Tory Alberta is gouging and Sask Tel's increasing the Sask Tel rates, these recreational facilities are having a very difficult time to operate. If any of you took the time to ask, you would find that to be true. Now, Mr. Speaker, that's my reply to the Attorney General. Yes, I, as an individual am talking to our communities. I am talking to them about the grant structure. I am not happy when I go into a business place and the businessmen say, look Larry what we have to have is less government spending. We have to have fewer civil servants. And I say, yes, we agree with that and as I turn around they say, 'But just before you go, do you think you could get us some money for our rink?' I say, look you hypocrites, either you believe it one way or believe it the other. I tell our supporters and, Mr. Speaker, I've been successful in that or I wouldn't be back here for a second term. So, I am prepared, Mr. Speaker, as members on this side of the House are, to take an issue and to provide a policy and to stand behind it and I don't take anything from you as a government for doing that because you are successful at it.

Mr. Minister of Labour, have another drink of water and listen to another compliment directed at you. You're very successful at handling the labour relations situations in this province. You're very successful at that.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, all I'm suggesting is that we on this side of the House are learning from those members across the way and we're not going to let you away with it. Come the next provincial election in Saskatchewan, the Progressive Conservative Party will be government. Now, Mr. Speaker, let me move on. It's very much concluded that we have irresponsibility in this legislature on that government side of the House. No question. Mr. Speaker, we've had the Premier apologize twice within a week to this side of the House. Obviously there's something wrong over there.

Mr. Speaker, they are creating a debt in prosperous times. Now doesn't it make mathematical sense or any kind of sense to anyone, that if you can't come out with a balanced budget during buoyant economical times, as the premier has stated so many times, this wonderful, buoyant economic times we enjoy, if we can't balance the budget then how are we going to balance the budget when we don't have the grace of God on our side and good crops? Mr. Speaker, surely we are going to be in big trouble. Mr. Speaker, as I have suggested, what this government will leave for the future generations and at a sad time, the Year of the Child, is nothing more than a legacy of debt. A debt, which unfortunately has to be shared by the this side of the House because we as well are residents of this province and you on that side of the House have to commend us for staying here and putting up a fight. It would have been much easier just to have moved to Tory Alberta, or anywhere. Obviously, a lot of people have. Yes, and the Premier suggests Tory Manitoba — we might have to move there too. It'll be a sad state when we see that province move ahead of this province because we have a lot more to offer than either Tory Manitoba or Tory Alberta — but are we? No. So, Mr. Premier, you'll have to back your remarks up in substantiating what this province represents in respect to those two Tory provinces on the left and right.

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Mr. Speaker, let me give you another example of the concerns we must all share regarding deficit financing. Let us look at the cities of New York and Cleveland. The young people are moving away from Cleveland. The tax base is moving from Cleveland. Cleveland is going to become nothing more than a senior citizen's home. Now, you know the language that comes from that side of the House is just not too acceptable but none the less, Mr. Speaker, that is the type of situation that we're looking at here in Saskatchewan. When in the last budget the Minister of Finance said there would be so many people removed from the tax rolls, I wasn't happy with that. I forget what the figures were — there was a per cent of tax reduction but none the less what that meant was that I, the taxpayer, would have to pay more. Only those that were relieved from the tax rolls had the benefits. You can only do that so much. Who's going to be left here in Saskatchewan to pay the taxes that eventually pays the debts and bills on an on going basis? Who's going to do that? The Minister of Finance has to have some concerns in that regard. Surely he must. Doesn't it make any sense to anyone that if we don't have anyone here to pay taxes as is becoming the case in Cleveland and New York then we're going to be economically bankrupt?

Mr. Speaker, I suggest this government has no right, moral or otherwise, no right whatsoever to take not just the future generations but as our member for Thunder Creek (Mr. Thatcher) the critic for finance suggested, those that are even unborn. They as well will be born with a debt attached to them. Now, Mr. Speaker, the NDP government, in my opinion, and in the opinion of the members of this side of the House, has overstepped its authority. On October 18 you were not given a mandate. You were not given a mandate to take this province and do what you jolly well like to do with it. That is not your mandate. Your mandate was to govern and to govern responsibly, and whenever you don't, Mr. Speaker, that's the time when the people of Saskatchewan should have an opportunity to judge and not just at election time.

Mr. Speaker, the federal Liberals and provincial NDP are very similar in their fiscal policies, very similar. They both believe in deficit financing. They both believe in using the people's money to bribe votes. They both believe in those philosophies. There is no difference surely, Mr. Speaker, between NDP and Liberal.

Mr. Speaker, the Finance Minister (Mr. Smishek) has lost control. The provincial Finance Minister unquestionably has lost any control of his Department of Finance. I don't know where he gets his advice. Who tells him to run a deficit budget? Mr. Speaker, no question, he has lost control. This government has managed now using traditional fiscal policies that don't work rather than managing with a bit of imagination linked with common sense. Mr. Speaker, I hold the Premier of this province and the Minister of Finance responsible today and for future generations. For those of you who smile and think all is well, and that the future is just fine and dandy, you just remember, I hold all of you, but in particular the Premier and the Minister of Finance, accountable. If I look back on this province 10 or 15 years from now and see it in a mess, I'll know why, because you didn't act. You didn't act upon the good advice of opposition, good opposition and strong opposition in this legislature.

Mr. Speaker, very simply, government spending is exceeding economic growth. That has got to be the case. They have flushed economic reality down the drain as they sit on their thrones of ideological socialistic philosophies and their fantasies. Government spending, Mr. Speaker, again, that's another big joke. They have no understanding of the social and economic problems of this province today. They have no understanding of the reality of their actions. Mr. Speaker, taking 1973 and 1978, total Saskatchewan debt increased at a compound annual growth rate of 18.3 per cent. Total debt has risen

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from \$22.1 billion with \$419 million in new borrowing but now there's over \$2.6 billion. What is a billion? These are astronomical figures. Crown corporations comprise 94 per cent of that provincial debt — those wonderful Crown corporations. Saskatchewan Power absorbs \$22.3 million, Sask Tel, \$17.9 million in terms of net profits. That's what their net profits are. Here's Sask Power and SaskTel with immense profits even in light of that gouging by Tory Alberta in regards to gas prices. They show these kinds of profits and yet together comprise 94 per cent of that debt.

Now, Mr. Speaker, in reply to the Attorney General I'm not against any of the utility corporations but as has been stated many times before and I stated the last time you asked me that question, we suggest that the profits surely should be marginal. Surely there should be not those kinds of profits in utility corporations. They were not meant to be profit-making corporations. Now a member of the government suggests who says that's right? I guess if one of you boys over there says so well, they'll be profit-making utility corporations. Mr. Speaker, in five years the Saskatchewan government borrowed close to \$1 billion — as I have said 44 per cent for Sask Power, 22.6 per cent for Sask Tel. This NDP government seems to be able to do these things and get away with them. It is very convincing to that ordinary man in the street. He doesn't seem to have a grasp of what in fact this government is doing.

Mr. Speaker, again the member suggests, am I running the public down? I am suggesting and I don't mind, you can quote at any time, that the public does not have access to information that would make them knowledgeable to make decisions. We, on this side of the House are having time enough getting information from your departments. Now, Mr. Speaker, I have to say it again, where does the money come from to pay interest on debt to Sask Power and SaskTel? Where does it go? Where does it come from? It's a question we have to ask ourselves — provincial debt not through the legislature but through Crown corporations. It's not something that we on this side of the House could effectively deal with. It's not something that we on this side of the House could effectively oppose — not effectively but in terms of stopping it in anyway. So, Mr. Speaker, we are at a disadvantage. The people of Saskatchewan are at a disadvantage because of the controls and the power that this government has — because of the lack of information that they will provide to the people of Saskatchewan. I can be questioned by the government in this House, but at the same time I can go down the streets of Regina tonight and talk to people and ask them a question, just ask them one. How much do you pay for your health care? I don't pay anything . . . (inaudible interjection). . . How much in debt is Sask. Power? They won't know. They won't even know it is in debt, but they'll be saying they don't know why the rates are increasing. They don't understand those problems, Mr. Speaker. What I am suggesting here in the Assembly tonight is that this government, under the leadership of Premier Allan Blakeney, has been very successful in kidding the man on the street, very successful.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, we know there is a lot to be learned. Mr. Speaker, we know there must be more to learn than even we can imagine on this side of the House, when we ask for full disclosure on that side of the House, and we don't really get an answer. They don't want to give us full disclosure. I mean it wouldn't sound good if we found out that the members on that side of the House were very rich, very well-to-do, very capitalistic in the things which they involve themselves in. That wouldn't be good for their image; that would destroy them. Mr. Speaker, as I have said before, there are a lot of hypocrites sitting on that side of the House — preach one thing and practice another.

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It amused me and I want to just use an example. The minister responsible for industry and commerce stood in this Assembly, where the member for Morse (Mr. Gross) is and he said, Mr. Speaker, that those terrible Tories are capitalists. Well, I looked at him and I thought my goodness sakes have I missed something here, because his big Cadillac was parked out there beside my Dodge Royal Monaco. He calls me a capitalist! If he's a socialist, I guess I'm in the wrong ball park. That's the kind of hypocrisy, Mr. Speaker, that I find in members opposite. Now, if a few of them would like to come clean, as we're asking . . . (inaudible interjection) . . . you know. I wouldn't mind. I really wouldn't.

Mr. Speaker, there's one area that I want to touch on and that is our suggestion regarding the Potash Corporation of Saskatchewan, the policy that we would have implemented so the people in fact could have been true owners of the industry, so they in fact could have sold what they supposedly own, as I have talked previously about. As has already been said, British Columbia has adopted that proposal. The United States is adopting that proposal. Mr. Speaker, I suggest that this government would do well to adopt that proposal the next time they take a notion to nationalize something.

Mr. Speaker, let me touch very briefly on the heritage fund — \$722 million expected to be in the heritage fund by the year end of 1979. Mr. Speaker, I suggest that the profits that they claim to make on that could be made very easily, to the tune of \$80 million in any bank or credit union.

Mr. Speaker, the so-called loans to the Potash Corporation and Saskatchewan Mining Development to the tune of \$400 million as an example, to potash, is where the supposed heritage that they are going to leave our future generations, is going. The heritage fund which is supposed to be a fund that we could leave to future generations is being used today. Mr. Speaker, by this government, with their power, through those corporations, to pay for day to day expenditures and operations of this government, and I say, shame on this government for that.

Mr. Speaker, we realize the worth of a heritage fund that could be operated properly — not one used for transferring funds back and forth and juggling in your corporations.

Mr. Speaker, very simply, let me move to a very quick point regarding sales tax. You made a big noise when you were going to reduce the sales tax. You slipped it back on very quietly. The people of Saskatchewan should realize that. The sales tax is now back up to 5 per cent from 3 per cent. Let me capsulize that now, Mr. Speaker, if I may. As I have said, this NDP is irresponsible. The budget should have a surplus in good years to be put away for stimulative purposes when times deteriorate. There is no excuse for deficits in good years, Mr. Speaker.

Let's look at the provincial debt again. In the five-year period from 1973 to the end of 1978, the total debt of Saskatchewan increased by a compound annual growth rate of 18.3 per cent. This is a higher rate than in the worst years of inflation. This is a higher rate than the revenue intake of this province. This is a higher rate than the expenditure rate of the province. Look at the provincial debt again. At the end of 1970, the total debt of the province was \$2.1 billion. The \$419 million in new borrowing debt will bring it to over \$2.6 billion by 1980. This \$2.6 billion means a debt of over \$2,600 for every man, woman and child in the province. It was suggested before that for a family of four, the wage earner is going to be paying interest on \$10,400, Mr. Speaker. Approximately, as I have said, 94 per cent of all borrowing incurred is to finance Crown enterprises or Crown corporations. Such enterprises should be charged with all debt services

incurred by the province for those funds.

Well, Mr. Speaker, I see the new minister responsible for the environment. I suppose his problem is that he may have lost a button or two. If he doesn't relax he may lose another one.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — Mr. Speaker, if you don't bring order to the House, I will.

Mr. Speaker, the exception is SEDCO, which assumes 87 per cent debt servicing cost for funds borrowed on its behalf. That's the only exception, that two principal Crown corporations, Sask Tel and Sask Power earn net income as of March 31, '77 of 17.9 million and 22.3, respectively, after payment of all expenses and debt service charges.

Mr. Speaker, between April 1, '72 and March 31, '77, the province borrowed 920,898,000, of which 44 per cent was for Sask Power and 22.6 for SaskTel. Same period only 206,850,000 worth of debt was redeemed. In the same period the province issued 627 million in public debentures, 275 million in debentures to Canada Pension Plan and 20 million in promissory notes and debentures to federal government; all these moneys was borrowed for Crown agencies except 20 million which was reloaned to Saskatchewan municipalities. Mr. Speaker, period ended 31, '77 to December 31, '77 Saskatchewan borrowed 175 million by way of public debentures and issued almost 59 million in debentures to the Canada Pension Plan and in the same period retired only 25 million of the total debt. Only 25 million of the total debt they retired.

Mr. Speaker, because the bulk of the debt is on Crown corporations everybody in the province pays interest on debt every time they pay a power bill, telephone bill or put a gallon of gas in their car or pay sales tax or income tax. Mr. Speaker, last year the Saskatchewan Power Corporation had a total interest debt of over \$80 million individuals pay this through their power bills.

AN HON. MEMBER: — Point number three.

MR. BIRKBECK: — The Minister of Labour doesn't think it's a concern. He doesn't think it's a concern.

Mr. Speaker, let's go through the steps in the borrowing. Ninety-five per cent of all money borrowed is from Crown corporations. Step one: Crown Corporations decide to borrow the money. Step two: Crown Investments Corporation . . . O.K. Department of Finance is step number three. Treasury Board: step number four. Step number five: it goes into the budget speech.

Mr. Speaker, the example is no legislative involvement, no original decision to borrow, no Crown corporation having to justify the need for borrowing to the legislature. They do not have to account to this legislature, Mr. Speaker. Crown Corporations Committee only allows scrutiny by an MLA one year and sometimes almost two years after money is borrowed. Mr. Speaker, there's no reason why monopoly Crown corporations such as Saskatchewan Power should not have to justify borrowing to the House before borrowing is actually made.

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Mr. Speaker, surely there is a lesson to be learned. Mr. Speaker, if I have to take my place and repeat these very important issues that we have on behalf of Saskatchewan residents to this government, to see that these issues are made clear and that the people of Saskatchewan understand them — if I have to do that every night for an hour or two — then that's what I'm dedicated to do.

Now, Mr. Speaker, let's look at a few of the federal blunders. In 1973, the five western provinces tripled, and in one case quadrupled, taxes on resources. This flattened the mining industry and in particular the oil industry. The member for Estevan (Mr. Larter) would know about that. The federal government then, in the wisdom of Otto Lang, introduced operation LIFT (Low Inventories for Tomorrow) in 1970, which took farmers out of wheat and into cattle. They then introduced a tight-money policy from 1969 through 1970. This was right after Pierre said he was going to wrestle inflation to the ground. Well he didn't do a very good job of it and the result was a stop in the growth of the economy. In 1973 and 1974 there was a big influx of money from the government. The result was that money and prices went even higher and created unemployment and further inflation. The government put their faith in monetary policies which have proven to be wrong. In a three-year period they attempted two policies: one of tight money and one of loose money.

Mr. Speaker, the next thing they did was introduce a loose-money policy which increased money even more and brought about more unemployment. Continuing the flip-flop they moved into wage and price controls from '75 to '78. They controlled wages but they didn't control prices. They did this after they said they wouldn't. The result again, as predicted by Conservative Members of Parliament, was an inflationary rate of between 7 and 11 per cent — they ended up with a 9 per cent inflationary rate. Surely, Mr. Speaker, residents of this province and the people of this country can condemn the federal government for those actions. If we have any luck, Mr. Speaker, we might get the support of this NDP government when we condemn the federal Liberal government.

Mr. Speaker, the next blunder by the federal Liberal Party was in 1971-72. There was a drop in wheat prices from \$2.10 a bushel to \$1.60 a bushel. The result was that we ran out of wheat which caused prices to go up to \$5.00. This cost \$1 billion in income, less taxes. The same thing was repeated in 1976-78 — a drop in wheat prices. In 1976 wheat dropped by \$1 a bushel, then immediately dropped an additional 25 cents, totalling \$1.25. Last year the price climbed up to \$5.00 again. The result was that farmers took a loss in 1976-78 which hurt all governments, and especially the farmers.

The conclusion, Mr. Speaker, is that governments should stop flip-flopping around with tight money and loose money. What we are suggesting here, Mr. Speaker, is what the members of the Assembly need to hear. What we are suggesting is that we need to take a look at cutting taxes. Allow individuals to get to work. The more a person makes the more a person saves, thus decreasing interest rates. Let me suggest, Mr. Speaker, that being the rich country that we are, we should be lending money to other countries and not just to ourselves. What are we doing, Mr. Speaker? We in Canada are borrowing massive sums of money to support a falling dollar.

Mr. Speaker, I say shame on the federal government for its monetary and fiscal policies and shame on this government for its monetary and fiscal policies, both of which are similar and both of which are traditional and both of which, Mr. Speaker, are contradictory to what the quantitative analysis is in terms of financing. They have followed the advice of so-called whizzes in economics. They have followed that advice.

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Mr. Speaker, I tell this Assembly and this House that we have evidence and we have proof and I want to give it, Mr. Speaker, to this Assembly now. Very briefly as I conclude and I would like, Mr. Speaker, for members of this Assembly to try and understand as I refer again to monetary and fiscal policies that are traditional policies by governments, not only here in Canada, not only in our provinces, but throughout the world and never mind the political stripe of the party of the government, policies, Mr. Speaker, that have repeatedly proven to be wrong, policies, Mr. Speaker, that are causing hardships for people throughout the world, policies, Mr. Speaker, that will never reduce inflation or unemployment, policies, Mr. Speaker, that are taking this country and our people into a debt that we will never relieve ourselves of for many years to come, policies, Mr. Speaker, that are bureaucratic oriented, policies, Mr. Speaker, that are not of the minister's making, policies, Mr. Speaker, that these ministers should be held responsible to. Mr. Speaker, what are these horrendous policies? Very simply they're traditional policies designed supposedly to reduce inflation and unemployment in a variety of forms.

Mr. Speaker, there are just a very close knit number of items which explain what those traditional policies are. It's government spending — they attempt that. They attempt a reduction in transfer payments which you people are suffering from now transfer payments from the federal government. That's what they are attempting — to reduce transfer payments to provincial governments. I tell you, Mr. Speaker, and this is a very valid point — that the social justice programs and good programs that the CCF and yes the NDP introduced in Saskatchewan are being jeopardized by these very traditional monetary and fiscal policies and that is my concern. Think about it. Think about it you people. Mr. Speaker, governments have tried high interest rates. They have tried low interest rates. They have tried land price increases and we've got that going on here now with the land bank, Mr. Speaker. They are working on deterrent fees — they attempt that. They've attempted reduction in spending — not very successfully but they have attempted it — reduction in spending in the civil service.

Mr. Speaker, the traditional monetary and fiscal policies that have been used by governments throughout the world that are following the advice of economists have been proven wrong. I suggest that on the basis of what is referred to as the Mundell Theory. Robert Mundell is a lecturer at the University of Waterloo (or was, I should say) a lecturer at the University of Waterloo, in economics. He is now a resident of New York. He has an associate, Professor Laffer. Their quantitative analysis, that has been done in other countries, is proving very valid points, and in particular in North America. Mr. Speaker, they have looked at governments that are devaluing the dollar, the currency. They do this in a number of ways. You people here in Saskatchewan did it by purchasing American companies operating here. You bought those companies. They went home and took our money with them. You assisted in devaluing the currency. Mr. Speaker, those problems have got to be dealt with.

Very simply, that Mundell Theory and the Laffer Curve, which are being used now, have been accepted in the United States to this extent, that about three of the major items in President Carter's budget were defeated on the strength of those two theories. Very simply as I said before, the theory just consists of reducing taxation on individuals, allowing them to go out and work and earn and they will invest in their own country.

You, Mr. Speaker, if I may refer again to this government, have taken those options away from the people. You have gone with a traditional fiscal policy of higher taxation. Looking at the debt, Mr. Speaker, it's going to get higher.

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The last point, Mr. Speaker, investments in common stocks — as you will see, they will be used to write off. You will not have to pay capital gains tax on investments in common stocks — investments in our own country. People of this country, Mr. Speaker, will do that if they are not overtaxed. So that is really, Mr. Speaker, what I am suggesting. Let's take a look at some of these new ideas. Let's take a look at possibly reducing taxation. Mr. Speaker, we could possibly look at balancing some budgets, not only here in the province of Saskatchewan but here in this country.

Mr. Speaker, I don't think I have got to say any more. Surely if this government is not convinced now that they have taken the wrong approach, then one wonders when they ever will.

Mr. Speaker, I think it goes without saying; I will be opposing this budget speech.

HON. N.E. BYERS (Minister of the Department of Northern Saskatchewan): — Mr. Speaker, in rising to participate in this budget debate, I want to congratulate you on your re-election as Speaker of this Assembly. Your patience, combined with your record of being fair, your ability to confirm are qualities which enable you to discharge your duties, Mr. Speaker. I also want to congratulate my colleague, the Minister of Finance (Mr. Smishek) for the outstanding budget he delivered here last Thursday.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — The budget clearly revealed this government is honoring the trust which the people of this province placed in the Blakeney government last August, October pardon me. I thought the last speaker started in August, but . . .

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — . . . I wasn't sure whether it was going to be August when he'd finish. Any observer of the political scene in Saskatchewan with a measurable memory span, who has observed successive CCF and NDP governments deliver their election promises in regular annual doses with little regard for the electoral calendar, is not surprised that this government delivered some of its election promises last Thursday. This government initiated in its first budget more commitments from our October election mandate than most people expected.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Who is still recovering from this with surprise and shock? The Conservative opposition Party because of ideas like rebating school taxes for senior citizens and a revenue sharing pool of \$77 million to help local elected councils sit down and plan the future of their communities and an agricultural research fund exceeding \$3 million to support the needs of present day farmers, who supported this government, and their new neighbours established under an updated land bank and a FarmStart program, who supported this government. Mr. Speaker, the Conservatives to your left are shocked and surprised at these and other provisions in the budget because, Mr. Speaker, such ideas haven't yet found their way into the Conservative think tank.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — As was so clearly demonstrated to the House again tonight, the

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Conservative think tank is so empty and so small, it couldn't be spotted in the rumble seat of a Bennett buggy.

AN HON. MEMBER: — In the rumble seat of a Bennett buggy?

MR. BYERS: — Mr. Speaker, I have listened for the second week in a row to what I thought was going to be the second hourly fireside chat of the hon. member for Moosomin (Mr. Birkbeck). Tonight it turned out to be two hours.

AN HON. MEMBER: — No substance, no thought.

MR. BYERS: — As he spoke, he reminded me of Columbus, the first Conservative, who when he started out didn't know where he was going and when he arrived, he didn't know where he was. When he got home he didn't know where he had been, and he did it all with somebody else's money.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Mr. Speaker, I grew up as a farm boy in the prairies in southern Saskatchewan during the years of Anderson, the last Tory government in Saskatchewan.

AN HON. MEMBER: — Better listen to this.

MR. BYERS: — The policies that were enunciated tonight took me back to my boyhood years because, Mr. Speaker, those were windy years and it was dry. The wind came up, it blew the topsoil away and it left the gopher holes sticking straight up in the air.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — We saw that relived tonight with the agricultural policies of this gentleman, the hon. member for Moosomin (Mr. Birkbeck), who is still smarting from his demotion from agriculture critic for this legislature. Mr. Speaker, I've been listening to the broadcasts and proceedings of this legislature for 34 years. It's about 34 years ago that we started to broadcast proceedings from this legislature and there has been an understanding. I think after 34 years an understanding between hon. men in some sense becomes a tradition. It's been a tradition that the Premier and the Leader of the Opposition have about an hour and a quarter in the throne speech debate, that the Minister of Finance and the financial critic have about an hour and a quarter in the course of the budget. Because of that tradition the rules of this House were changed not many years ago to shorten the time of both the throne and budget debates. It is basically the backbenchers who have spoken 20 or 30 minutes; ministers have spoken 40 to 45 minutes. And we have cut down the number of days allocated for the budget debate. I have only been a member of this legislature for about 14 sessions. I'm a relative newcomer to this institution. But I have never in my life heard an opposition member filibuster to prevent his own colleagues from speaking in the budget debate.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Yesterday, this House did not sit in the evening. I was ready to speak. Some of my colleagues were ready to speak. The members of the opposition didn't have a speech ready last night and consequently this House did not sit. Today we had the hon. member for Moosomin and I sat in this seat for one and a half hours and listened to

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him talk. He has effectively prevented some of the new members from speaking in this debate. What did he talk about? Well, I made some notes. First of all he said this government is trying to bribe people with their own dollars, that we're borrowing money to put in telephones in his constituency and power lines in the other hon. member's constituency, that we are bankrupting the future taxpayers of this province. Mr. Speaker, he was reciting tonight speeches given by the Liberals in the early '50s and the late '50s and the early '60s. I remember them well. They were on the radio telling us that the Minister of Finance had gone to New York and he had borrowed \$4 million or \$5 million at astronomically high interest rates of 3.75 per cent and 4 per cent, over 30 years, to bankrupt future generations and burden them down with debt that they'd never get . . .

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: — They haven't learned a thing!

MR. BYERS: — Mr. Speaker, we paid off some of that debt last year, those 4 per cent bonds. I wish we had a good deal more of them.

And then he says that people are surrendering their . . . bribing with their own bonds. He talked about the hypocrites in his own constituency.

AN HON. MEMBER: — That's no way to talk about your own people.

MR. BYERS: — That we are paying them grants to mortgage their future — bribing them — from which they will never recover. Well I am going to tell you, Mr. Speaker, the resource moneys that we have past collected and passed on to the people of Saskatchewan (both rural and urban) have enabled councils and citizens and organizations to sit down and plan and provide and deliver the facilities and services that we need.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — I want to say to the hon. member, Mr. Speaker, that many of the new facilities that are about Saskatchewan would still be plans on the drawing board or figments of many people's imaginations if they had waited for the mentality of the opposition to deliver. They are now a reality.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — The people, he said secondly, are apathetic. They are having no part in developing the policies of the political parties. That's a disgraceful remark to come from the Conservative Party.

Mr. Speaker, the policies and the programs which we were elected on in '71, re-elected on in '75, re-elected again in 1978, were all designed and developed by the common people of the New Democratic Party in this province. We developed them at our provincial conventions and we had a mandate to deliver them. When we were elected we proceeded to deliver them for the benefit of Liberals and Conservatives and New Democrats alike.

SOME HON. MEMBERS: Hear, hear!

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MR. BYERS: — Yesterday, or earlier this week, Mr. Speaker, the Tory Party tabled, or distributed, in this House the Progressive Conservative Prairie Rail Action Committee report. The Leader of the Opposition admitted and acknowledged that it was written in Ontario.

Mr. Speaker, one of the reasons this party was formed years ago was because we were tired of having policies written in eastern Canada for western people.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — And the people of this province, when they have time to speak again within months, will want western transportation policies developed by New Democrats in western Canada to meet western Canada needs.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Mr. Speaker, I want to turn tonight to the department for which I have recently assumed responsibility, the Department of Northern Saskatchewan, and what his budget means to the people of that part of Saskatchewan.

I want to comment on some of the provisions in this budget which will advance the social and the economic and the political developments of the citizens in northern Saskatchewan.

When the Department of Northern Saskatchewan was first set up, it faced an immediate need to drastically improve living conditions in the North. There were poor community facilities, poor schools, poor roads and airfields, very poor housing. We recognized the need to transform these conditions and we set out to give northern people a standard of life comparable with the rest of the province. We had a choice. We could move into the North with a major construction effort based on the southern construction industry or we could take the approach that construction in itself, though badly needed, would have to be combined with a strategy for northern employment.

Now there are plenty of precedents for governments in Canada and elsewhere to undertake development in remoter areas without seeking to combine that development with the effect of local employment. Those results have been obvious improvements in the facilities in remote communities but little improvement and development in the unemployment skills and the income of local people. When DNS (Department of Northern Saskatchewan) started, we therefore decided that any improvements to the physical living conditions of the North must be combined with the maximum possible northern local employment. Perhaps this approach has caused some problems. Some are administrative and even politically difficult, but we judge it to have been worthwhile, when you see a new facility, a new school or a road in the North you can be sure that Northerners have been involved in the building of it.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — The benefit of this involvement, the local incomes, development of work skills for a sense of effective participation have been a major success.

When we look at the various programs undertaken by the department, we see clear evidence of our policy of our highest priority — the providing of local jobs. Northern

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public housing program in 1978-79 generated a total of 250 man years of employment. Of this total 212 jobs or some 85 per cent were occupied by native Northerners. The department's capital budget activities — roads, airfields, public utilities, schools, public buildings — also generate a high proportion of local northern employment. In 1978-79 the total capital program produced close to 630 man years of employment. Northerners totalled 283, or just over 45 per cent of the work force in this sector.

In government-operated commercial enterprises, which include sawmills, four agricultural farms and the Prospectors' Incentive Plan, we have achieved close to 90 per cent of the total employment for native Northerners. We estimate that the small business assistance and support we have given through loan and grant programs have resulted in at least three jobs for local people for each job occupied by a non-native. In the department's permanent staff we have also had a fair measure of success. Of the total permanent salaried positions, about 23 per cent are now occupied by native Northerners and we are also finding that there is a trend towards Northerners entering the department at higher classification starting positions. We regard these statistics as a demonstration of considerable success especially when account is taken of the relative lack of skills to be found in the northern work force. To meet the problems associated with lack of skills, we have also operated a number of training programs. Let me touch on some of the highlights of these programs.

In co-operation with the northern school boards and the University of Saskatchewan, we have introduced a Northern Teacher Training Program. This program is now in its first three-year training cycle. We expect that eight teachers will graduate this year with full academic teaching status from this program. In years one and two of the program, there are another 33 trainees who will be continuing their studies and will graduate in subsequent years. We regard this program as a major success and expect the arrival of local teachers in northern schools to have a major beneficial effect on the general educational climate in the North. We also operate a program called Options North, to aid the entry of Northerners into permanent positions with the Department of Northern Saskatchewan. Since that program started, we have graduated 23 students and 18 of them are now employed by the department. Our most notable success has been in the area of social services where we have placed 11 social service workers. Having local people in the social services area has proved to be a major factor in helping us to understand and meet the needs of local people who require family and counselling services.

A Manpower Secretariat has been created within DNS, some three positions to monitor the Amok lease agreement and to negotiate northern employment provisions in future lease agreements.

Mr. Speaker, I think that the record I have presented to the legislature is a good one. We shall continue to give the highest priority to maintaining our employment role in the North and to bringing about full participation of Northerners in the development of the North.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Mr. Speaker, this government believes that one of the most important initiatives the province can take to unlock the doors to economic independence, so that northern people can share and participate in the opportunities offered by northern resource development, is to bolster our initiatives in academic education.

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Our record of performance in the field of academic education in Northern Saskatchewan is outstanding. The physical needs for larger enrolments; success in training students at the high-school level; enriched programming such as industrial art shops, home economic and science labs and commercial classes — all these were non-existent seven years ago. The Department of Northern Saskatchewan has constructed 77 classrooms, 52 teacherages, 5 gyms, 4 science rooms and industrial arts shops since 1972. We have taken great strides to improve the situation. In the past six years more than \$20 million has been spent to improve educational facilities in some 30 different communities. With this level of construction we are gradually catching up to the actual requirements for academic educational facilities in the North. I expect this level of building activity will level off within the next few years.

I want to caution the members of the House that we may be required to maintain a high level of expenditure for academic education facilities, not only to meet the needs of economic development, but to accommodate the increased number of students. While the improvements, both to the system and the facilities, are starting to have an impact, enrolments are increasing year after year. The number of students entering kindergarten is increasing. Drop-out rates, while still very high, are continuing to decrease. Students are staying longer in school. Enrolment in Grade 12 is up by 196 per cent since 1973, with some communities such as Ile-a-la-Crosse graduating their first Grade 12 students in 1978. The percentage of northern teachers possessing a degree certificate is up from 18 per cent in 1971 to 60 per cent in 1978.

Mr. Speaker, the 1978 budget contains a number of financial and program commitments designed to respond to the ongoing need to improve education facilities and programming. The budget before the House, Mr. Speaker, proposes an expenditure of \$5.6 million on academic education facilities. Construction will be completed on the La Loche, Turnor Lake and Brabant schools and will continue at Deschambault. Major additions will be commenced at Pinehouse and Stoney Rapids.

Mr. Speaker, our government is proud of the new school facilities dotting the northern landscape, the new local interest in education, the dedication of our northern educators and the benefits this generation of northern students are deriving from the new educational facilities.

Mr. Speaker, one of the tests of a responsible and responsive government is its willingness to periodically assess the effectiveness of its programs and to modify programs to meet changing conditions.

The present formula used to calculate northern school grants has two basic components:

1. A basic student rate;
2. A northern cost supplement designed to provide additional funds for the higher costs of operating northern schools so that school programs would not be jeopardized when school boards are faced with uncontrollable operating costs.

Mr. Speaker, unaided by any advice from the Opposition, our government has detected a few weaknesses in the formula presently used to calculate the operating grants for northern schools.

The basic student rate calculated under the The Formula Grants Act generates about

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64 per cent of the funding required by northern school boards. It is deficient in that it does not earmark funds for special northern needs such as the development of curriculum, teaching materials, teaching methods that are culturally appropriate for northern Saskatchewan. A grant calculated on a per student basis can work to the disadvantage of the northern school board where the drop-out rate averages 39 per cent compared to 22 per cent in southern Saskatchewan. About 48 per cent of northern students are at least one year behind the average age-grade achievement, so this situation places additional pressures on teachers and school boards for enriched and remedial programming.

The supplemental grants make up about 36 per cent of the total operating grant package. The supplemental grant is an ad hoc method of coping with the special problems of operating a northern school system — problems such as higher energy costs and maintenance and renovations. The result has been that the Department of Northern Saskatchewan has received many requests from school boards for additional funding.

Now, in the past year the Department of Northern Saskatchewan has, therefore, developed a new northern education funding program, under which operating grants will be allocated to school boards in northern Saskatchewan. I was hoping the critics, if there are any left of northern Saskatchewan, would be here tonight so they would get an understanding of the components and the implication of this new formula.

There are four components to this new grant formula. There will be a northern basic student rate. Expenditures common to all school operations such as instruction, administration, non-capital renovations and, of course, the plant renovation costs will be considered in establishing the basic student rate. It acknowledges that insufficient funding is provided by using basic rates for southern Saskatchewan. It should eliminate an excessive number of requests from school boards for additional funding.

The second component of the new grant formula is the northern differential student rate. The reason for including this component in the new formula is to recognize that the actual cost of operating schools varies greatly for the community because of their distance from supply centres or their degree of isolation. It will therefore be necessary to develop a cost index for each community, taking into account such factors as northern allowance, instructional aids, supplies, room and board allowance and non-capital purchases. This component of the new grant formula will eliminate the need for supplemental grants.

Thirdly, Mr. Speaker, due to the great variations in the operating costs of school facilities and due to the size, location and types of school facilities, the new grant formula will recognize 90 per cent of the actual cost of operating and maintaining the school plant. I want to emphasize that explicit guidelines will be developed with regard to the definition of operating and maintenance costs, to be included under the provisions, to recognize 90 per cent of actual plant costs. The remaining 10 per cent of these costs can be recognized through the basic rates to ensure that the school boards are finally responsible in determining the levels of maintenance and operation.

Fourthly, to recognize that there are disproportionately higher fixed costs associated with operating smaller schools, the fourth component of this new grant formula will recognize these higher costs for administration, school board expenses and teacher recruitment. This provision is similar to the scarcity factor in the southern school grant formula; it earmarks special funds for the continued operation of smaller schools.

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Mr. Speaker, the best designed formula will be meaningless unless it is matched with a pool of money to provide the educational requirements for northern schools. I am pleased to announce that operating cost grants for schools in northern Saskatchewan for 1979 and 1980 will be \$11,631,000 compared to \$9,895,540 for 1978 — 1979, an increase of 17.5 per cent. The actual expenditures for 1978 — 1979 will be \$10,266,000 as the result of additional grants amounting to \$371,060. When this supplementary adjustment is counted, the 1978 — 1979 budget for operating grants for schools represents a 13.3 per cent increase or over 11 per cent on a per student basis. In 1978 — 1979, the grant per student was \$1,803 and for 1979 — 1980, \$2,008.

The amount of funding to the individual boards for 1978 — 1979 will be as follows: (all of them are increases) northern school boards, \$7,928,010, an increase of 9.9 percent; Creighton, \$817,870; Ile-a-la-Crosse, \$1,005,920; Uranium City, \$1,578,080; Flin Flon Boundary Agreement, \$133,120; conditional grants, \$8,000; educational opportunity grants, \$160,000 for a total in 1979 — 1980 of \$11,631,000 — 13.3 per cent.

Mr. Speaker, one of the challenges that northern school boards and teachers face is the development of curricular materials, teaching materials, teaching methods that are culturally appropriate to northern Saskatchewan. This year, the Department of Northern Saskatchewan will introduce, through the academic branch, a new program called the Education Opportunities Grant Program.

The sum of \$160,000 is earmarked for the 1979-80 fiscal year to permit greater innovation in areas such as co-operative work experience, learning assistance centres, improved student counselling services and the development of materials on native cultures. The maximum annual grant per project will be \$40,000. Funding for this program will be in addition to grants under the new northern education funding program. Project proposals initiated by school boards will require approval from the Department of Northern Saskatchewan.

A wise person once said, give us the tools and we'll do the job. I am confident, Mr. Speaker, that the school boards, the teachers and the students in northern Saskatchewan will welcome this initiative by this government, which gives them the tools so they can, and they will do the job.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Mr. Speaker, the fact that there are more northern students attending more schools for a longer period, demands that additional finances and staff be provided to support a wider range of activities. The needs of the handicapped student, the need for better counselling services, the need for a relevant curriculum are real needs in northern Saskatchewan.

Members of this legislature should be aware that the workload of the Academic Education Branch is expanding rapidly through the new northern education funding program, the new education opportunities grant, the number of newly formed independent school boards. Even though the northern school board employs several school superintendents, currently there is one school superintendent responsible for 1,600 students and 96 teachers. In addition, the present staff are unable to provide the level of support desired by the northern school board.

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This budget provides for two new positions in the education branch:

1. An additional superintendent's position;
2. An education consultant to work with northern school boards to develop improved programming for children with learning and other handicaps.

Mr. Speaker, this government is keeping its pledge of 1971 to provide opportunities for northern people to accept productive positions in construction, in government, in administration and in the professions.

Two training programs launched to increase the number of native northerners employed as instructors in the school system are an outstanding success. I referred to one of them earlier in my remarks namely the Nortep.

The teacher aid training program has been operated over the past three years by the northern school board with LEAP (Local Employment Assistance Program) funding from Canada Manpower. It is a one year training program. To qualify applicants must speak a native language and be selected by the local school board.

I am pleased to report to this House, Mr. Speaker, that of the first 20 students there are six working in schools, 13 have advanced to the Nortep (Northern Teacher Training Program). Only one has dropped out in three years. It can be truly said, Mr. Speaker, that this is a record of success with great promise for tomorrow.

Now, since Canada Manpower funding is limited to three years, DNS (Department of Northern Saskatchewan) will be assuming funding from the teacher aid training program starting in 1979-80, with a budget of \$195,000. We are anxious to continue this program as it increases the number of Northerners employed by schools, office participants and opportunity to gain experience before entering Nortep. It is estimated that 15 Northerners will benefit from this one year training program in 1979-80.

Mr. Speaker, under the new education act, school boards are required to set a uniform mill rate. Based on a school mill rate of 57, this requirement will result in a substantial school mill rate increase in some locations. In general, school mill rates are 40 to 41 mills in most northern communities. Ile-a-la-Crosse's school mill rate is about 20 mills. The education mill rate transition grant will be included in the grants to northern local governments. The program has the objective of raising the school mill rate to 57 mills over a three year period. Under the program the Northern School Board would set its own mill rate at 57, which would be an increase of 37 mills for Ile-a-la-Crosse and a 21 to 22 mill increase for the remaining communities under the Northern School Board's jurisdiction. This short term program is therefore being implemented, Mr. Speaker, to cushion the impact of the annual school mill rate increase to a maximum of 10 mills. Grants will be paid to the local governments so that the effective increase would be no more than 10 mills in a single year. In the first year the grants would hold the impact of the 57 mill rate to 45 mills by providing a subsidy of 12 mills for the Northern School Board worth \$114,495 and a subsidy on 27 mills for the Ile-a-la-Crosse School Board worth \$7,905 or a total for 1979-80 of \$122,400. In the second year the subsidy would be two mills or \$16,675 for the Northern School Board and 17 mills, or \$4,975 for Ile-a-la-Crosse. In the third year only Ile-a-la-Crosse would require subsidies to the extent of 7 mills or \$2,050.

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The impact of this transitional program should be to have mill rates set at 57 mills across the North and the education mill rate transition grant is designed to ease the impact on local governments in the first few years.

Mr. Speaker, all members of this House are aware that historically northern Saskatchewan residents have had severe health problems compared to the rest of Canada or the rest of the province. The Federal-Provincial Task Force on Northern Saskatchewan carried out in 1969 stated that the three major causes of health problems in the North were:

1. Deficient diet;
2. Substandard housing;
- 3 Lack of proper sewer and water facilities.

Mr. Speaker, lest we forget, when this government came to power in 1971, both the rate of hospital admission and the infant mortality rate were almost three times as high as the rate in southern Saskatchewan. But there have been some general improvements. The number of visits to health clinics and health centres has increased; the public health nurse visits to homes are up; the community health worker program which is locally operated provides a grass roots approach to encouraging proper nutrition, hygiene and other basic health practices.

Sewer and water systems have now been introduced in 12 communities and the percentage of households having access to a safe water supply has increased from 30 per cent in '71 to 100 per cent in 1978.

The three new positions requested in this budget are (1) a dental nurse, (2) a community mental health nurse and (3) a public health nurse. The children's dental care program was well accepted and deeply appreciated in northern Saskatchewan communities. The current ratio of dental nurses to children is 1:1172 in the North compared to 1:560 for the South. This year we will expand the dental care program by adding a dental nurse position at Cumberland House.

Mr. Speaker, mental health nursing services were provided to citizens of the east side communities, through facilities in The Pas and Flin Flon, Manitoba until June 1978. We will, therefore, be adding a community health nurse position, who will join the public health nurse presently stationed at Creighton.

Mr. Speaker, although there is a hospital at Ile-a-la-Crosse, there is no community health staff assigned to this area. This year we will add a public health nurse position to provide community nursing services to Ile-a-la-Crosse, Jans Bay and Cole Bay. This new position will enable DNS to establish a comprehensive public health program in these communities including such activities as child health clinics, prenatal classes, home follow-up and hygiene counselling.

I want to turn, now, and comment briefly on the capital program. I want to say a little bit about local governments and I have a word or two on Northlands. I appreciate the members bearing with me. I will not be here tomorrow and, unfortunately, I will not be here on Friday either. I will be going to an opening of the new community centre in Denare village that day. They are very happy about the assistance they got from this government. For that, I hope all members will share with them in their jubilation.

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I want to comment on the main elements of the DNS capital budget, because it is through the DNS capital program that the roads and airfields, the camping and recreation sites, municipal facilities, community utilities and schools become a reality for our northern citizens.

In 1972-73, the government allocated \$100,000 in the then Department of Natural Resources capital budget for community services. Each year since, we have improved the department's capability to employ northerners in building new facilities. This year the Department of Northern Saskatchewan's capital budget is \$21.6 million. I want to comment on some of the components of it.

1. Northern air transportation has received intensive attention. We will be required to spend substantial sums upgrading and constructing airfields to meet the needs of northern residents and industrial activity. This year we will complete the Pelican Narrows airfield and improve the lighting and fencing at other locations. Of the 19 licensed airfields in northern Saskatchewan, 10 will remain to be upgraded.

2. Roads — there were only 336 miles of all-weather and trail roads in existence in 1972. Since 1972 the Department of Northern Saskatchewan has constructed 289 miles of all-weather roads and 205 miles of trail roads to provide access to communities for a total of 830 miles. When you add the 270 miles of winter roads maintained by DNS the total road system is now 1,100 miles.

Our present estimate is that in the next five years the department will construct about 150 miles of all-weather roads and 50 miles of trail roads to complete the basic road system.

Mr. Speaker, the capital budget of DNS for road construction is \$4 million but when you add an estimated \$4 million that was to be spent on the Cluff Lake road this year by the Department of Highways, an estimated \$4 million on the Key Lake road to be financed from the heritage fund, an estimated \$1 million on the Beauval Pine House to be financed from the heritage fund provided approval for construction is obtained from the Department of the Environment. That adds up to \$ 13 million in northern development roads in this budget.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — These expenditures from the DNS (Department of Northern Saskatchewan) Capital Budget, the heritage fund, reflects this government's on-going commitment to establish the community and transportation infrastructure which is the very foundation upon which the economic and the social development of the North is being built.

I want to provide the House with the details of the 1979-80 road construction program.

1. Complete the Stanley Mission access road;
2. Continue with the Dillon-Michel access road;
3. Complete the Uranium City by-pass;

4. Continue upgrading the road from Uranium City to Eldorado;
5. Complete the Southend — Reindeer Crossing;
6. Continue the Sturgeon Landing Road;
7. Construct resource roads at an estimated cost of \$460,000.

As tourism is an important industry for northern residents, we will continue to develop and improve recreation sites. We expect to complete the campgrounds currently under construction at La Ronge, Weyakwin, Whelan Bay, Geikie River, Elaine Lake and Courtney Lake. Work will commence on a campground at Jan Lake. Capital improvements will be carried out at other locations.

Mr. Speaker, the new community halls and the other municipal facilities are one of the catalysts that have nurtured and fostered community pride. To honor their esteemed political warriors some governments erect monuments in the parks for the birds to sit on. The new municipal buildings, the fire halls, the wells with fresh pure water, community centres in every community are not monuments to politicians of another day. They stand as permanent evidence that this government, despite the fact that every opposition party has voted against every budget in this House that authorized the bucks for these facilities, evidence that this government is committed to providing the people of northern Saskatchewan with their fair and proper share of the resources of this province.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — We have allocated \$800,000 for municipal facilities in the next fiscal year. The 1979-80 program provides for the completion of four projects:

1. The Buffalo Narrows LCA (Local Community Authorities) office;
2. The Turnor Lake fire hall;
3. The Pinehouse fire hall;
4. The Cumberland community hall.

It provides for the commencement of these new projects:

1. Stony Rapids fire hall and equipment;
2. Ile-a-la-Crosse community hall;
3. Fire equipment at Cumberland House and Denare Beach.

The 1979 capital program provides for the completion of a number of major projects, namely:

1. The La Ronge provincial office building;
2. The Buffalo Narrows depot;

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3. La Ronge hospital expansion.

Construction will continue on the Uranium City provincial office building and the Pinehouse health clinic. New road maintenance facilities will be constructed at Pinehouse and La Loche. These facilities are to provide equipment maintenance and storage for road crews that are required as a result of the construction of the new resource roads into Key Lake and Pinehouse. Construction will commence on a two medium security facilities — a 25 bed facility at Buffalo Narrows and a 15 bed facility at Creighton. While DNS is assuming the responsibility for the capital reconstruction of these facilities, the Department of Social Services will assume responsibility for their design and their operation.

Mr. Speaker, the provision of water and sewer service to northern communities has been a massive undertaking. In 1972 (and I wish the hon. member for Moosomin (Mr. Birkbeck) were here) . . . there were no integrated sewer and water systems in the North. Today the systems are completed in eight communities: Buffalo Narrows, Cumberland House, La Loche, Weyakwin, Sandy Bay, Stoney Rapids, Green Lake and La Ronge. I hope the next time he is up there he will tell them we bribed them with a knife.

We expect the Beauval and Ile-a-la-Cross projects will be completed in 1979-80. Construction for the Pinehouse and Denare Beach projects will continue in 1979-90. We can expect construction of the Air Ronge system to commence in 1979-80. It is the intention of this government to assist in providing integrated water and sewer systems in communities of over 500, as well as some modified systems in the smaller communities.

Earlier in my remarks I dealt at some length with the need to continue our efforts to improve the quality of instruction in the school facilities in northern Saskatchewan. May I conclude my remarks on the capital budget by placing on the records of the legislature, the capital budget for education facilities for 1979 and 1980, we will complete the following projects:

1. La Loch High School;

2. Turnor Lake School;

3. Brabant School and teacherage.

Construction will continue on the Deschambault School and the teacherage will be completed. New projects include additions to the Pinehouse and Stoney Rapids schools, a teacherage at La Loche and Turnor Lake and improvements to the Ile-a-la-Crosse School.

Mr. Speaker, one of the top priorities of this government is to provide the financial and manpower resources needed to develop strong, autonomous, local governments with the capability to assume control over local affairs so they can cope with the new economic developments now on their doorsteps.

I suggest, Mr. Speaker, that all political parties in this province have a responsibility to be patient with these local governments still in their infancy. The development of local government is a long process. May I remind the hon. member for Maple Creek (Mrs. Duncan) and the hon. member for Meadow Lake (Mr. McLeod) if he were here, that it took the local improvement districts 75 years to elevate their status to that of a rural

municipality.

The new local governments of the North can well be spared unnecessary and unwarranted criticism as they tackle the tough tasks of establishing assessment and tax roles, drafting community development plans, and at the same time, providing new services such as fire protection and ambulance programs, which long established local governments in southern Saskatchewan are today establishing in many cases, on a regional basis for the first time.

Mr. Speaker, this government has certainly demonstrated its faith and confidence in the willingness and the ability of northern people to design and determine their own destiny. When we set up the Department of Northern Saskatchewan in 1972, northern Saskatchewan certainly possessed many of the characteristics of an underdeveloped area. We were convinced that if we were ever to eliminate the vast disparities in economic and social living conditions that existed between the northern population and the rest of the province, it would require, contrary to the thinking of the hon. member of Moosomin (Mr. Birkbeck), direct infusion of capital through the newly created Department of Northern Saskatchewan.

We built new schools, the gyms, the teacherages, the community access roads, the firehalls, the community halls, the wells with pure drinking water, the airfields, the housing and recreational facilities.

Mr. Speaker, permit me to caution the new members of the opposition on two counts:

1. The former DNS critics in this legislature who suggested that proper accounting systems should always precede the carpenter's hammer and who suggested that money was being stored in shoe boxes, are now members of the 'Where are They now Club';
2. The people of northern Saskatchewan strongly endorsed the initiatives of this government through the Department of Northern Saskatchewan by electing Fred Thompson and Norman MacAuley in 1975 and again on October 18, with overwhelming majorities.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS:—I want to comment on some of the specific provisions in this budget designed to further the development of local government in Northern Saskatchewan.

Grants to the northern local governments in 1979-80 will be \$4,008,210 compared to \$3,294,000 for 1978-79. That is an increase of 21.7 per cent. This increase is required to maintain the existing and unconditional grant formula. It will also fund a number of new additional programs such as the Municipal Road Ambulance Program, Municipal On-the-job Training program and Business Improvement District Program.

In addition, the grants to northern communities for recreational facilities will be \$1,160,000.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — This program is the northern counterpart of the cultural and recreational facilities grant program in the Department of Youth and Culture. In the five-year period 1977 to 1982, this program will provide a total of \$7 million.

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Mr. Speaker, there are 36 local government bodies in the North — three incorporated municipalities, eight local community authorities, northern municipal councils, 24 local advisory councils. We are making good progress in several areas in developing more viable local governments. The LCAs (Local Advisory Councils) are the most rapidly developing group of communities in the North.

Last year, this government, gave the LCAs the option to operate independently of the northern municipal councils. Six LCAs exercised this option. One result is that the role on the level of funding to the northern municipal council has been substantially reduced. The Municipal Services Branch of DNS has conducted formal workshops, training sessions to assist the staff and the councils of these eight LCAs, or in fact, the newest local governments in Saskatchewan if not in all of Canada.

In addition to the community responsibilities they shoulder, while they earn their own living in the harsh northern climate, the elected LCA council members are involving the citizens of the community in the new town development plans, they are preparing their assessment roles; they are coping with the problems of operating their water and sewer systems; they are working with DNS staff on fire prevention programs and ambulance programs. The list is endless.

But most of all, Mr. Speaker, there is a desire and there is a determination of these northern communities to use the financial and human resources available to build a society in which they are both the builders and the beneficiaries.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — This generation and future generations in northern Saskatchewan will not be content to be the forgotten people. Northern people are prepared to be active partners in the development of Saskatchewan's resources but they are not content to be silent partners when the fruits of the earth are distributed.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — They will claim (and we in the New Democratic Party will ensure) that they will receive their fair and proper share.

Now I want to comment in more specific terms, Mr. Speaker, on how some of the wealth of this resource-rich province will be distributed to local governments in northern Saskatchewan for the fiscal year 1979-80.

Mr. Speaker, when this government developed the system for distributing grants to local governments in northern Saskatchewan, we made a conscious decision that we would not hobble and handcuff these new governments with a multitude of conditional grants — a grant for this and a grant for that and a grant for something else — the way the Tories give them (if they ever did). It was our position then and it is our position now, that . . . well I invite you to come out and try to explain conditional grants to Tories, because they are the slowest learners in that respect.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — It was our position then and it is our position now that if local governments are to be truly autonomous, then for the most part, grants from the

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province should be provided on an unconditional basis so that each locally elected council can plan its community's future and establish its own priorities.

Now it is true that conditional grants are a means for the province to assist communities with specific problems. As I stated earlier, the grants to local governments for 1979-80 will be \$4,008,210. Grants that can be classified as unconditional grants in this budget are as follows: (1) per capita grants — \$1,153,110, (2) equalization grant — \$1,833,090, (3) urban capital — \$500,000, total unconditional — \$3,486,200.

Now the urban capital grant is actually an unconditional grant because all the town has to do to get the grant is to carry out some capital construction. There are no conditions what is built. So counting the urban capital grant as an unconditional grant and excluding the transitional grants to \$102,000 as being one time grants, 88 per cent of grants to local governments in 1979-80 will be paid on an unconditional basis.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — . . . and only 12 per cent or \$420,000 will be paid on a conditional basis.

Mr. Speaker, the urban capital grants program was established to assist the three urban centres of La Ronge, Creighton and Uranium City with a limited tax base in providing capital facilities. The urban capital grant is actually an unconditional grant as all the town has to do, as I said, to get the grant is carry out some capital construction. There is no condition on what is built. The grant is calculated on 40 per cent of the first \$500,000 and 30 per cent on the next \$250,000. The maximum grant is \$275,000 per municipality. Assuming capital expenditures in 1978-79 — and I will tell the good people in Creighton on Friday that the hon. member for Moosomin (Mr. Birkbeck) thinks they are mortgaging the future — by the three urban municipalities of \$1.5 million, we have allocated \$600,000 for this purpose. The level of funding represents \$95 per capita compared with the \$92 per capita approved for 1978-79.

The sewer and water maintenance grant pays up to . . . (inaudible interjection) . . . well there is that new song going around, 'I want to sleep all day.' At least the Tories want to sleep all day and they sleep all night. The sewer and water maintenance grant pays up to 80 per cent of the actual sewer and water maintenance costs to a maximum of \$15,000 per LCA and \$20,000 for the urban municipalities. This conditional grant will increase from \$150,000 to \$180,000 in 1979 as the communities of Weyakwin and Ile-a-la-Crosse will be eligible for the grants. I am sure the hon. member for Moosomin will not want them to get that.

In 1979-80, the urban municipalities qualified for \$50,000 in police grants under the former municipal affairs program. This program will be terminated on March 31, 1979, and in its place we will provide for 1979-80 a one-time transitional payment of \$40,000 to the urban municipalities to give them time to adjust their financial planning.

Mr. Speaker, the operating funds of the Northern Municipal Council (NMC) could have been reduced from \$880,000 to \$229,000 in 1978-79 as a result of several LCAs' opting to operate independent of the Northern Municipal Council.

In 1978-79 a transitional grant of \$24,000 was paid to the Northern Municipal Council so that its operating budget was not less than \$253,000.

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Now, in the event that an LAC requests LCA status and subsequently withdraws their financial support from the Northern Municipal Council, the Department of Northern Saskatchewan will make a one-time payment to the Northern Municipal Council of \$5,000 for each community that goes independent. In addition, the LAC that assumes LCA status will be entitled to a \$5 increase in their per capita grant.

At this time we cannot predict the number of communities that will seek and obtain LCA status this year. We have provided sufficient funds in the budget for communities seeking LCA status and at the same time insured that the NMC has sufficient funds to discharge its responsibilities.

Mr. Speaker, the Mainstreet Development Program initiated and administered by the Department of Municipal Affairs will be transferred to the Department of Northern Saskatchewan for businesses and communities in the Northern Administration District. We have allocated sufficient funds for 32 grants of \$500 for the northern businesses, and \$8,600 in incentive grants for the improvement of public areas.

I want to advise the House that we are prepared to launch an ambulance program in the North this year, modelled along similar lines and principles similar to the South. We have allocated over \$70,000 for this project and we will be making the details of this available to the northern communities in the near future.

To help the three incorporated municipalities employ a staff person in a training position within their municipal administration, we are prepared to pay up to \$400 a month towards the trainee's salary.

I just have one brief point, Mr. Speaker, that may take another few minutes or so before I conclude. I want to turn to the Saskatchewan Northlands Agreement. The Northlands branch of the department is responsible for the negotiation and the administration of the Canada-Saskatchewan Northlands Agreement. This agreement provides for a 60 per cent federal, 40 per cent provincial-cost sharing of certain DNS, Department of Highways and transportation programs in the northern administration district. This agreement which was signed last August 28 in La Ronge, provides for a \$100 million five-year federal-provincial cost-sharing arrangement to help with the development of the northern part of our province.

Mr. Speaker, I am happy to indicate that the province of Saskatchewan will contribute \$40 million, DREE, \$48 million, and the Ministry of Transport, \$12 million.

Funding for actual program delivery is contained within the budgets of those branches actually responsible for program delivery. The Northlands budget provides for agreement administration, public consultation, program review and assessment and planning.

As the hon. members may note, this year's estimates provides the Northlands branch with about \$150,000 increase over last year. This increased funding will be used for two new activities — the Northlands program Review Committee. This is the public consultation mechanism employed for the development of the annual Northlands Work program. The second is for program review and assessment. Under the agreement, the department must review the effectiveness of those programs, cost-shared, and this year the department will be laying the ground work for this process.

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Mr. Speaker, the most interesting aspect of this funding increase, and I believe, the agreement, is the creation of the Northlands Program Review Committee, many of whom were in the gallery the other day. This group represents all sectors of northern society. made up of two representatives from each of the following organizations: the Northern Municipal Council, Saskatchewan Association of Northern Communities, local community authorities, the Association of Metis and non-status Indians, and the ministers' consulting committee. The Northern Saskatchewan Labour and Trades Council and the Northern Outfitters' Association are also on the Program Review Committee.

Mr. Speaker, these ten individuals have, over the past four months, held five two-day sessions in which they have prepared their recommendations to which programs should be cost-shared under the agreement. I am happy to report that their recommendations were accepted by the Northlands management group which signed the \$17,838,000 1979 Northlands Work Program.

SOME HON. MEMBERS: Hear, hear!

MR. BYERS: — Mr. Speaker, I am sure I am speaking not only for the government but this House, to thank these individuals for a job well done and wishing them all the best for their future deliberations. This committee is a sound example of our government's commitment to carry out the mandate that was bestowed upon us by the Premier in 1972 when he said, and I quote:

We look to the new department to provide a new focus for building government services in the North, with the involvement of the people living in northern communities. This means involvement, not only in an advisory capacity but also in a developing capacity of self-government and local decision-making. It will require readiness to abandon the safe, standardized approaches to the delivery of government services and it will take an equal dedication on the part of the people living in northern communities to develop their interest in self-government and their skills in decision-making.

I am sure that we will all agree that the development of the \$17 million work program by the people of northern Saskatchewan and for the people of northern Saskatchewan clearly indicates public involvement.

Mr. Speaker, there are other things I would like to say about the budget and other issues. I have presented some of the thrusts that we will be taking in the Department of Northern Saskatchewan which in many respects, is typical of the initiatives that are being undertaken in every department of this government. I have indicated earlier that I will be unavoidably absent on Friday when the vote is taken but if I were here, Mr. Speaker, I would certainly be standing in my place and voting for the budget. I would like to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 11:02 p.m.