

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Nineteenth Legislature

Tuesday, March 13, 1979.

The Assembly met at 2 p.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. D.F. McARTHUR (Regina Lakeview): — Mr. Speaker. I would like to introduce to you and through you to the members of this Assembly, sitting in the Speaker's gallery, 60 students from Lakeview School — students attending Grade 8 classes at Lakeview School. They are accompanied by their teachers, Dr. Ochitwa and Mr. Cuthbert. I might also add that they are accompanied by two teaching interns, Miss Winter and Miss Hebert.

As some of you may know, Lakeview School has the distinction of being the school that is in the closest proximity to this Assembly, located approximately five blocks straight west of this building. The two Grade 8 classes are visiting our Assembly as part of their social studies program. They have been studying Canadian government and Canadian politics and are visiting here as part of that program.

I am sure that all members will join with me in wishing them an enjoyable time here at the legislature, and a good trip back to their school.

HON. MEMBERS: Hear, hear!

HON. R. ROMANOW (Saskatoon Riversdale): — Mr. Speaker, I too have a school from my constituency visiting us in Regina. Lakeview may be the closest school to the Legislative Buildings. I can't say that St. Marys in Saskatoon is the farthest but certainly the students have come quite a distance.

It is a Grade 8 class numbering approximately 23. They are sitting in the west gallery, I believe. They are accompanied, and I hope I pronounce the names accurately (I may not) by their teacher, Mr. Greg Seipp, and intern, Mr. Hunks and two parents, Mrs. Steiner and Mr. Sawchuk.

St. Marys belongs to the separate school system in Saskatoon, one of the oldest and best reputed separate schools, elementary schools in the entire school system. I welcome the students, their teachers and supervisors to Regina and I hope they have an entertaining and informative day.

HON. MEMBERS: Hear, hear!

QUESTIONS

Moneys advanced from Saskatchewan Heritage Fund

MR. R.L. COLLVER (Leader of the Opposition): — I have a question to the Premier. As the Premier is no doubt aware, there is no interest paid on the moneys that are advanced from the Saskatchewan Heritage Fund to the Crown corporations such as Sask Potash and the Saskatchewan Mining Development Corporation. Because of this failure to pay interest, how would the Premier categorize that particular investment in equity, as a

long-term investment or a short-term investment?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I think the report of, let's say the Potash Corporation of Saskatchewan, refers to it as an equity investment. It refers to it in the equity section of the liability side of the balance sheet rather than the indebtedness portion of that side. Whether or not it will prove to be long-term, I think, depends upon whether or not it is decided to convert that type of investment into either shares which will indicate a long-term investment or some interest bearing form of indebtedness, debenture or bond which will indicate a short term. I think that no final decision has been taken on those matters at this time.

MR. COLLVER: — Mr. Speaker, a supplementary question. The Premier will know that long-term also refers to bonds and interest bearing bonds and debentures, if they are repayable after anything more than one year. That is referred to, I'm sure he recognizes, as a long-term investment. Since it is shown as equity in the financial statements of the Potash Corporation and of SMDC (Saskatchewan Mining Development Corporation) would the Premier not agree that it should be categorized, at least now, as a long-term investment. If it is converted to shares it is a long-term investment. If it is converted to bonds or debentures repayable in more than one year, it is still a long-term investment. Therefore, it is a long-term investment.

MR. BLAKENEY: — Yes.

MR. COLLVER: — Supplementary question. I hope the Assembly will bear with me on this one. I just have one or two quotations to make on the supplementary question. On April 27, 1978, the Premier of Saskatchewan stated as follows, when The Heritage Fund Act was being introduced:

This bill will also greatly strengthen legislative control over revenue from non-renewable resources. It will require that the Legislative Assembly approve the budget for the expenditures and for the long-term investments.

From April 27, 1978, quoting from the Minister of Finance when he introduced The Heritage Fund Act:

This leads me to the third major purpose of the legislation, that is, to provide a greater degree of legislative control over the expenditures and investments made from the fund.

All expenditures and long-term investments of the fund except the \$26 million statutory appropriation will be subject to the approval of the Legislative Assembly.

I ask the Premier today, why is the legislature of Saskatchewan being precluded from approving the long-term investments in the Saskatchewan Potash Corporation and the SMDC and others from the Saskatchewan Heritage Fund? As he is no doubt aware, the estimates for this year and last year specifically exclude those non-interest bearing advances from those amounts to be voted upon.

MR. BLAKENEY: — Mr. Speaker, I simply don't agree with the hon. member. I refer the hon. member to page 118 of the estimates which are before him which are the investments. For the purpose of easy description they have been called long-term investments from the heritage fund. Note that with the Potash Corporation of

Saskatchewan, the proposal is for \$13,400,000 — to be voted by the legislature. With the Saskatchewan Mining Development Corporation \$78,700,000 — loans, advances and investments to be voted — \$78,700,000. Those in fact are the proposals. That is the instrument whereby this legislature decides whether or not money should be moved from the heritage fund to the Potash Corporation of Saskatchewan, or the Saskatchewan Mining and Development Corporation, or the Saskatchewan Power Corporation as the case may be. The three on that page are I think, clear and each provides that the money is to be voted.

Grants for Medical Research

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, a question to the Minister of Health. Recently the minister announced a \$750,000 health or medical research fund was being set up in Saskatchewan. Since, in Alberta there has been announced a \$300 million grant towards a medical research facility and a \$30 million annual operating grant for this facility, can the minister indicate to this House whether or not he has had, or will have, discussions with his counterparts in Alberta to avoid duplication or to enhance the dovetailing of these research projects?

HON. E. TCHORZEWSKI (Minister of Health): — Mr. Speaker, I want to inform the member and the House that I have not had discussions with the minister in Alberta. I did not know what their election campaign plans were going to be. Obviously that was an announcement that was made during their campaign. Certainly I am most happy to discuss the funds that are available with anybody in Canada. We have been doing so and will do so with the funding available at the federal level. I don't know what the purpose or how the Alberta fund is going to operate. I am sure that it is likely meant to provide funding for research in the province of Alberta. But we will be interested in what they are doing, as we are interested in what we are doing. I just want to also reply to the comment the member makes about the \$750,000 which is the initial funding for the Saskatchewan Health Research Fund. I will be explaining in a very few days how the fund will be developed so that it is much more substantial over a period of time, when I introduce the legislation that will establish the health research board.

SOME HON. MEMBERS: Hear, hear!

MR. BERNTSON: — Supplementary, Mr. Speaker. The Alberta fund is in fact an international research centre and I am sure they will welcome your participation. Has the minister given any consideration as to what might have to be done if, as is likely to happen, we have a Saskatchewan brain drain and all our top researchers go to this lucrative facility in Alberta? Since the minister has indicated that there has been no discussion as it relates to this dovetailing — and proportionately I think it is better described as a hummingbird meshing with a peacock — could the minister indicate whether this \$750,000 is a serious venture into the area of medical research or is it just for transportation costs to truck our people to Alberta to do the work?

MR. TCHORZEWSKI: — Mr. Speaker, it is, indeed, a most serious venture in health research by this government in Saskatchewan which is something we committed in the last provincial election. I want the members of the House to be informed that this research fund that we are putting into place in this province has not been developed in isolation but has been developed in very close consultation and discussions with research people in the province, with all kinds of organizations such as the medical association and hospital association and so, therefore, it is not just a government proposal. It is a proposal that has been put together with the good advice of all of these

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other people which I have mentioned.

MR. J.G. LANE (Qu'Appelle): — A supplementary to the minister. You have indicated that you have discussed this matter with research people in the province of Saskatchewan. How do you account for the reference in one of the daily newspapers the other day about a research fellow at the University of Saskatchewan who refused to have his name made public, who thought it was totally inadequate given the funding given by the province of Alberta and, in fact, it looks like this amount was a surprise to the researchers in the province of Saskatchewan, indicating the fact that you haven't discussed it with people involved in medical research?

MR. TCHORZEWSKI: — Mr. Speaker, I hesitate to comment on the comments that come second hand from someone who refused to have his name exposed.

SOME HON. MEMBERS: Hear, hear!

MR. TCHORZEWSKI: — How does one reply to that kind of a question? I can assure the members as I have assured them already that we, indeed, have had extensive consultations. We did write under my hand and from me to all kinds of organizations indicating what we had in mind and asking them to make submissions. They made those submissions and we had personnel in the Research and Planning Branch of the Department of Health follow up with further discussions. If this gentleman that the member for Qu'Appelle talks about has a point of view I would suggest he had an opportunity to express it to the study group which we had established.

Contact Federal Authority regarding Rapist

MRS. J. DUNCAN (Maple Creek): — Mr. Speaker, a question to the Minister of Social Services. Have you or your department made any representation to the federal authority concerning the rape which was committed in Regina recently by a convicted rapist out on a pass and of a subsequent conviction, as reported in the Leader Post January 27, 1979?

HON. H.H. ROLFES (Minister of Social Services): — Mr. Speaker, no, my department hasn't but I think she is directing that question to the wrong minister.

MRS. DUNCAN: — I'll ask the Attorney General. Has your department made any representation to the federal authority concerning the recent rape which was committed in Regina by a convicted rapist out on a weekend pass and of a subsequent conviction as reported? . . . (inaudible interjection) . . . Have you made representation? Have you expressed the concerns of the people of Saskatchewan?

HON. R.J. ROMANOW (Attorney General): — Mr. Speaker, I would have to have the hon. member give me details as to the incident, the name of the person, what institution it was, is it a Saskatchewan federal institution, in this province or outside the province, before we can answer that. She might, also, be kind enough to indicate whether she has made any representations to the federal authorities.

MRS. DUNCAN: — Mr. Attorney General, what I am trying to say is that I believe that your department should make representation to the federal authorities expressing the concern of the law-abiding people of Saskatchewan, that we will not tolerate this so-called 'pass' system within the penal system. Do you not agree?

MR. ROMANOW: — Well, Mr. Speaker, apart from the fact that I thought question period was to ask of ministers matters which are within their administrative and other areas of responsibility, I don't know where the federal correction system is under that. I agree with the hon. member that we are all outraged that any kind of a criminal offence takes place. I think that there is a proper avenue for remedy of this and that is the Court of Criminal Law and the submissions made to the Court of Criminal Laws with respect to the penalties. I need more information before I would make any specific observation in that specific case, Mr. Speaker.

Weekend Passes for Rapists

MR. LANE: — A new question to the Attorney General. A serious incident happened when a convicted rapist was out on a weekend pass, in January of this year — the information was given and it was indicated by the hon. member that in fact this was a weekend pass from the federal penitentiary, not provincial. Do you not feel that you have an obligation as the minister responsible for the administration of justice, to make representations to the government in Ottawa as to the criteria they have used for weekend passes, which allows such a convicted rapist, out at large, to cause similar offences. Don't you figure that you have an obligation as minister responsible for the administration of justice? God, you can't pass it off!

MR. ROMANOW: — Mr. Speaker, I would be pleased to have the hon. member for Qu'Appelle (Mr. Lane) table, for this legislature, what representations he, as an elected member of the Legislative Assembly, has made to the federal authorities on this particular issue. I would also appreciate, since the hon. Leader of the Conservatives is directing his member to stay out of it, maybe the Leader of the Conservative Party would get into it and tell us what submissions he has made on this particular matter. Table the letters and we will see what the situation is. I would advise you to stay out of it.

MR. LANE: — Mr. Speaker, I would like to ask the Attorney General, if you want us to take the responsibility for governing this province, which we could do a lot better, why don't you just come over to this side?

MR. SPEAKER: — Order!

Representations to Federal Authorities

MR. R.L. COLLVER (Leader of the Opposition): — A new question, then, Mr. Speaker.

Is the Attorney General telling this Assembly that it is not the responsibility of the Attorney General of Saskatchewan, the chief law enforcement officer of Saskatchewan, to make representations to the federal government when he believes that there has been a serious affront to the administration of justice by someone out on a weekend pass committing the same crime again right here in Saskatchewan.

MR. ROMANOW: — Mr. Speaker, I notice that the PCs treat this as a very laughing matter but I don't. I want to tell them this, Mr. Speaker. I want to see the leader of the PC's letter to the Minister of Justice and the Solicitor General. I'd like them to table that and then I'll be prepared to table what representations I have . . . (inaudible interjection) . . .

MR. SPEAKER: — Order, order.

MR. ROMANOW: — Mr. Speaker, this show of lack of respect for the decorum and the law and order of this House is very unbecoming for the PC opposition on such an important issue. My position is that when an individual commits an offence against the criminal law of the country the remedy is to deal with that individual before the criminal courts of the country. The submissions as to whether or not day passes, or the pass system of the federal penitentiary system is adequate or not is something which a lot of us have representations and feelings about. But the fact of the matter is that the key area of resolving the problem is before the courts and the criminal law.

That's the position that I take generally. I would like to see the specific case before me before I give any specific answer. I would like to know the names, the dates and the details before I could answer whether or not any submission has been made by my department to the federal authorities.

MR. COLLVER: — I'll ask a new question. Mr. Speaker. Since the Attorney General has refused to answer my first question, which was whether he takes the responsibility, is it now the Attorney General's position that it is not the Attorney General's responsibility to make representations to the federal government?

MR. SPEAKER: — Order. I'll take a new question.

MRS. DUNCAN: — Would you not agree, Mr. Attorney General, that it is necessary to eliminate the so-called pass system for serious offenders within the penal system in order to protect society, or do you wait until a rapist gets out and mutilates a child and then take action?

MR. SPEAKER: — Order!

Sales Tax — Student Notebooks and Pornographic Material

MR. G. TAYLOR (Indian Head-Wolseley): — My question, Mr. Speaker, is to the Minister of Finance. Under the existing taxation policies of the province the government does not tax magazines or periodicals, including pornographic reading materials. But there is a tax on such items as student notebooks and other school supplies. Do you not feel that the NDP policy priorities are misplaced in this area, particularly in the International Year of the Child?

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, I think that perhaps the hon. member might direct that question to the Minister of Revenue (Mr. Robbins). I'm not the minister responsible for that particular area.

MR. TAYLOR: — A supplementary, I believe that you're in charge of the taxation policies of this government and I would like you to answer the question . . . (inaudible interjection) . . . All right, fine, I'll have the Minister of Revenue answer the question. I want an answer to this question from one of you gentlemen.

HON. W.A. ROBBINS (Minister of Revenue): — Would you please repeat the question?

MR. TAYLOR: — Under the existing taxation policies of the province, the government does not tax magazines and periodicals including pornographic reading materials but there is a tax on such items as student notebooks and other school supplies. Do you not feel that the NDP policy priorities are misplaced in this area particularly in this International Year of the Child?

MR. ROBBINS: — Mr. Speaker, it is true that we've removed E & H tax from printed materials generally. Supplies to go to school are still taxable but I must inform the member that we are in the process of a complete study of the E & H tax. We intend to make revisions in that act at the appropriate time. That study will not be complete for perhaps six or eight months.

MR. TAYLOR: — Supplementary. Mr. Speaker. Will you then give me a firm assurance that you will consider putting a tax on the pornographic material and removing it from the school supplies? I think you must agree this has to be in the best interest of students and that you as a government have some responsibility in this aspect.

SOME HON. MEMBERS: Hear, hear!

MR. ROBBINS: — Mr. Speaker, I'm no more a supporter of pornographic supplies than the member for Indian Head-Wolseley. The point that I think should be made clear to this House is that tax was removed from printed materials. We don't make the decisions with respect to the supplies that will come into the corner drugstore, etc. It was a flat rule change in the E & H tax which removed the tax from printed supplies.

MR. COLLVER: — Supplementary question, Mr. Speaker. Are you trying to suggest to this Assembly that you cannot place a specific tax — E & H tax — by rewriting the regulations on pornographic materials? Are you suggesting to this House that it is impossible to write the regulations in such away that E & H tax applies to pornographic literature alone and such publications as Playboy and Penthouse and not such publications as Time magazine, Macleans and other magazines?

MR. ROBBINS: — Yes, I'm suggesting that's impossible.

Provincial Government Employees' Salaries

MR. P. ROUSSEAU (Regina South): — I believe I should be directing my question to the Minister of Finance but in case it is not the right minister, would the rest of you please listen so that one of you can answer it.

SOME HON. MEMBERS: Hear, hear!

MR. ROUSSEAU: — How do you explain the average provincial government employees' annual salary earnings at \$18,740 as compared to the provincial average salary at \$13,380? Why the difference between the provincial sector and the private sector?

MR. SMISHEK: — Mr. Speaker, I wonder whether the hon. member can refer me to the source because I am not familiar with sort of two averages. After all, the public employees will be part of the provincial average and I don't know what source, if you can direct me to it, maybe I might be able to help him.

MR. ROUSSEAU: — Mr. Speaker, I'd be very happy to direct the minister to the source. The source of the provincial government is from your own estimates of 1978-79 and the source for the average is from Canadian Statistical Review, January 1979, page 55, table 15, from the library.

MR. SMISHEK: — Mr. Speaker, I have not seen the publication but since he's now referred to it, I'd like to examine it and see whether I can give him an answer.

Gas Line Breaks

HON. J.R. MESSER (Minister of Mineral Resources): — Mr. Speaker, the member for Estevan asked questions of me yesterday — I took them as notice — pertaining to gas blowouts in the Steelman plant. The blowouts did occur, Mr. Speaker. We have not been able to conclusively identify the reason for the blowout, although we suspect that it was either because of a malfunction in a regulator or a regulator pilot. Having said that, Mr. Speaker, I want to convey to this Legislative Assembly that such incidents are not uncommon. I know the member, in his question yesterday, indicated that had a technician been on site, this would not have happened. I would like to convey to him that there was a local serviceman there. A technician would not really undertake to resolve the problem without some assistance from the centralized services for these operations, which has proved most satisfactory in the past.

I do want to correct some other statements that the member made. He indicated that the blowouts took place on August 3 and 19. I think that that is the only real accurate information he conveyed to this House. He alluded to a loss to the Saskatchewan Power Corporation of somewhere in the neighborhood of \$130,000 to \$150,000. I would like to convey to that member that it is not quite that substantial, in fact, much more modest than that. The loss was some \$6,184. I also want to close, Mr. Speaker, in conveying to the member — he alluded in his question that SPC people had been telling him that had a technician been in place this major break would not have occurred. I can only conclude that if an SPC person did in fact convey that to him, that that person was not particularly well-informed in regard to the system which is in place in Saskatchewan and the servicing which is required for that system.

MR. R.A. LARTER (Estevan): — Supplementary question, Mr. Speaker. The technician I mentioned who wasn't in place at the time was . . . when you moved this gentleman to Saskatoon, Mr. Minister, you had a minor break on August 3. Should this technician have been in place, one of the only fellows who understands valves and regulators, you wouldn't have had the major break on August 19. That's the point I tried to make to you and this is a fact. Would you not agree?

ADJOURNED DEBATE

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion of Mr. Smishek (Minister of Finance) that this Assembly do now resolve itself into a Committee of Finance.

MR. J.L. SKOBERG (Moose Jaw North): — Mr. Speaker, it gives me great pleasure to say a few words on this budget speech this afternoon. I, of course, add my words of congratulations to you, Mr. Speaker, on your election as Speaker of this Assembly. I also congratulate the election of the Deputy Speaker, who so capably carries on his responsibility in the Speaker's absence and the Committee of the Whole. I congratulate the Minister of Finance (Mr. Smishek) in the presentation of the budget which provides a program built on a foundation of fairness and equity for all citizens of this great province.

My thanks goes out to the electors of Moose Jaw North that saw fit to return me as their representative.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — I along with my colleague, the Hon. Gordon Snyder, will continue to speak out and work for all of the people in Moose Jaw and Saskatchewan generally.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — Moose Jaw has had good years of past and nowhere can you find any gloom and doom of bygone days. Naturally there are problems in some areas, but it would be strange indeed if such did not exist. There is a good relationship between elected and appointed city officials with that of the departments of the provincial government, and this has resulted in many benefits for the city of Moose Jaw.

AN HON. MEMBER: Hear, hear!

MR. SKOBERG: — I know this good working relationship will continue in the years ahead. Mr. Speaker, I could list many benefits our city has received, but I know the same will be true in every constituency in Saskatchewan. The program of culture and youth grants is an excellent example of a program used for the benefit of the community. To indicate the untiring dedication Moose Jaw citizens have for the city's promotion one has only to use this week as an example. By putting together a well documented submission a Moose Jaw delegation led by Roy Thiessen was successful in bringing the 1979 Uniroyal sponsored Junior World Curling Championships to Moose Jaw this week.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — It makes one very humble to stand at the official opening this past Sunday and see the countries of Sweden, Norway, Scotland, USA, Denmark, Switzerland, France, Italy, Germany, and our great Canada so ably represented by young men 20 years and under accept the obligation of being good sports, good citizens of their respective countries, win, lose, or draw.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — Mr. Speaker, I know that all members in the House agree with me, and the people across this province and Canada, that we do wish the Canadian team success in their endeavor.

AN HON. MEMBER: Hear, hear!

MR. SKOBERG: — Sometimes I believe those of us in the political field should accept losses as graciously as these fine young men. The people of Moose Jaw and the many clubs and associations that are actively spending their time and energy in the promotion of this and many other activities tell me our city is alive and well and will continue to be so.

The second major event taking place this week in Moose Jaw can be found at the Golden Mile Exhibition where the now annual English horse show, with the most entries ever having been received, is under way this weekend.

SOME HON. MEMBERS: Hear, hear!

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MR. SKOBERG: — Again, Moose Jaw and surrounding good neighbor municipalities can and do work together and make an event such as this and others possible. I invite all members of the legislature and the people throughout the listening audience to come to Moose Jaw this week and see the finest junior curling in the world and see the finest display of horsemanship in western Canada.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — Mr. Speaker, we have come a long way in Saskatchewan and in all those years we have seen continued progress in our health and social fields with our economy becoming more diversified and stable. Our determination in having a society that is truly representative of the majority of the people of this province will continue under the leadership of Allan Blakeney and that is our determined goal in this New Democratic Party and government.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — We have seen a continued attack on all of our social programs and all progressive legislation by a small but vocal minority of self-interest groups and politicians. These people are highly skilled at talking about free enterprise, private initiative and all those popular clichés, but they fail to tell the people most large and small business enterprises are very dependent upon good stable government that will provide incentives for job creation purposes.

We hear the opposition say (and we have heard it in this House ever since the opening of this Legislative Assembly), why keep harping on the past? Why keep reminding people of programs such as medicare, hospitalization, first community surveys for TV, cancer care, acute care for mental illness made free, air ambulance created, North America's first health insurance plan, cobalt cancer treatment available, the elimination of deterrent fees, alcoholism commission created and the Feeling Good Program introduced, removal of medicare and hospitalization premiums, children's dental plan, prescription drug plan begun, aids for the handicapped made available and the hearing aid plan and on and on and on? Let us never forget, Mr. Speaker, what we take for granted today can be taken away from us by the stroke of legislative action supported by reactionary Conservatives.

It is said a country can only retain its greatness if it retains its history. Those opposite would like to forget history, Mr. Speaker, especially last October 18.

One has only to see what is going on in the United States at this time to see really what is happening in this world of ours. Responsible people, including Senator Edward Kennedy, and the trade union movement, are striving for a national health insurance plan modelled on Saskatchewan's. A recent report indicates that medical services have long been a major source of inflationary pressure in the economy and contribute to a steady increase in the share of the gross national product. The health care outlay in the United States has gone from 4.5 per cent to 9.3 per cent in the period from 1950 to today. The same study indicated that in Canada a similar situation was evident when there was a fee-for-service policy, but today, under our universal and comprehensive quality health care plan fashioned by this province, a gross national product for health care outlays has levelled off to 7 per cent and yet we hear our great philosophers cry out for deterrent fees, hospital premiums and fee-for-service wherever we turn.

It is madness, Mr. Speaker, for a civilized society in this country to criticize growth in the public sector. Government, in a democratic society, is not our enemy but our indispensable ally and servant. For most of us it is the only ally we can look to as a means to save the society from being the private club of the rich and the powerful. Over and over again, we hear of an oversupply of civil servants and that terrible bureaucracy, but is there ever any acknowledgement from those opposite that indeed, our civil service is one of the lowest in all of Canada? Of course not! They are playing the game of defaming the name of every public service in this province with outright mistruths.

It is important, Mr. Speaker, to have civil servants available to put these programs in place and available to the people who need them.

There appears to be a type of mentality and hatred by many of those opposite for civil servants and those who serve in this province faithfully. We have seen an unwarranted personal attack on the integrity and honesty of the Deputy Minister of the Environment and now those opposite will not accept the word of the Director of Information Services in the latest 3 cent a package leak in the recent budget. I can tell those opposite, that Deputy Minister Grant Mitchell and Mel Hinds have more integrity and devotion to their position and to the citizens of this province than any of those being so critical of them at this time.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — It is characteristic of the Conservatives, with some exceptions, to viciously attack civil servants and to publicly defame them, when they are not in a position to respond. I say that's cheap shots to say the least.

Mr. Speaker, for one moment let us compare our civil servant ratio with that of some other provinces: in Saskatchewan, 1.8 per cent of the population; in Alberta, 2.4 per cent; in New Brunswick, 3.4 per cent; in Nova Scotia, 2.3 per cent. The Canadian average is 3.3 per cent. and I say again that in Saskatchewan it is 1.8 per cent of the population. Let us not forget, we in Saskatchewan have the most and the best programs to deliver to the people anywhere in North America and we have the best civil service to do the job.

Mr. Speaker, yesterday in this debate, the hon. member for Thunder Creek (Mr. Thatcher) made reference to Proposition 13 in California. Let's have a look at that for one moment.

Ever since the vote on Proposition 13 in California there have been those who almost believe we should have the same type of vote here in Saskatchewan and in Canada. It is important we realize the real meaning of that vote. The citizens voted to force a 50 per cent or better tax cut in property taxes. If you lived in California, a house that cost you \$800 in taxes in Saskatchewan could be costing you upwards of \$1,800 in some California cities and many pay out over \$3,000.

In the state of California all elementary and secondary school costs are borne by property taxes and universities are primarily financed the same way. In this province we pay 75 per cent of health costs out of the provincial revenues. The real message, Mr. Speaker, is that in California the people are forcing the politicians to lift the burden of social services off the backs of the homeowners. They are demanding a reduction in local taxes to a level of about where they are here in Saskatchewan at this time. That

means there will be a general realignment of taxation just as we here have done. The New Democratic Party government knew our tax system had to be reformed to meet the present and future needs, or we would find ourselves trying to run programs in the 1980s with a tax base of that of the 1890s. In other words, in 1971 when the New Democratic Party took office, resource revenues were 7 per cent of the provincial, revenues and today our resource revenues are 26 per cent at least of that budget revenue.

That is why we are able to provide the services so necessary for our society and we do not need such things as Proposition 13.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — Mr. Speaker, speaking of resources for a moment, I am certain most of you did read or hear of the article in the Canadian Business Magazine. This article suggested that Saskatchewan is on the verge of embarrassment of riches and that with our gigantic uranium reserves we would be the next boom province. It follows this observation that we are as solidly financed as any province in Canada and we do not have a big backlog of social services. And, of course, one statistic referred to, which the Collver Conservatives blush with embarrassment (if that is possible) is the fact that Tory Ontario has 2.5 times as much debt per capita as thin socialist Saskatchewan. I wonder, Mr. Speaker, if the financial capitalist boy wonder of the Conservatives has advised his Tory friends in Ontario how to run their economy and provide services we provide here in Saskatchewan without heavy premiums and the like of that.

We are proud of our province, Mr. Speaker. We are proud that our leaders in a democratic socialist society have provided the people of this province with leadership, vision and sound economic planning in such a way that poverty and want is being looked after by using the resources of this land for the purposes they were intended, by using some of the heritage fund for this generation and preserving some for the future generations to come.

That is what I consider to be sound economic and social planning. Of course that does not coincide with the thinking of the self-proclaimed economist of the party opposite. It has been said many times figures can lie and liars can figure. I suggest the financial critic of the Conservative Party, along with his leader, are doing their best to prove the latter, the only difference being neither of them can figure.

As we listen to those opposite and as we listen to the federal Conservatives, there is little question that all Crown corporations in Saskatchewan and in Canada would be getting the meat axe if the Conservatives were ever to gain power either in this province or in Ottawa.

One has only to realize Petro-Canada, the federal Crown corporation, is finished if the Progressive Conservatives were to be elected. They would, as they call it, privatize it and put it into the hands of private saboteurs and privateers. They also admit all of the federal Crown agencies, which number 300 and some, would receive full scrutiny and a decision would be made whether to put the axe to them or redirect them. This is typical of the private enterprise, profit-motivated Tories, both in this House and in Ottawa. There is deep mistrust by those opposite for anything owned by the people of Saskatchewan or Canada. It is up to us, Mr. Speaker, to let the people know the assets of our Crown corporations which belong to the people. Even the financial bull-headed critic of the Conservative Party, full well knows debts incurred by needed expansions of

our Crown corporations to serve an ever-expanding economy and population, such as Sask Tel and Sask Power are doing, are self-liquidating. Perhaps he and his colleagues would not want to prepare for our future diversified industrial economy. That is not our thinking nor will we accept such out-moded economic theories or worn-out philosophies.

Mr. Speaker, it is with a great deal of proudness I am able to say I am a member of the New Democratic Party. It is with proudness that I say this party, led by Premier Allan Blakeney, is a party that respects the wishes of all people in this province. Mr. Speaker, the members on this side of the House have full confidence in our cabinet and their capabilities. That is why I am pleased to support the budget before us and will support that budget speech when the vote is called.

MR. D.G. BANDA (Redberry): — Mr. Speaker, it is with a great deal of pleasure that I rise to take part in this debate. I want to take this opportunity, first of all, to congratulate the new members on their election and to congratulate others on their re-election to this Assembly. It is obvious, Mr. Speaker, from the proceedings of this House that the re-arrangement of seats dictated by the voters added to our strength not only in quantity but, indeed, in quality.

SOME HON. MEMBERS: Hear, hear!

MR. BANDA: — Mr. Speaker, the most notable change in the character of this Assembly from the last is the decline in the effectiveness and the quality of the opposition. I am not certain if the fact is an argument for having two leaders of the opposition as we used to have but if it is, Mr. Speaker, the public might, and I emphasize might, be better served if the members for Thunder Creek (Mr. Thatcher) and Qu'Appelle (Mr. Lane) and Indian Head-Wolseley (Mr. Taylor) would advance their plans and show us if they have any ability to handle the leadership job for the Conservative caucus. I might just add, no one would misunderstand their motives or their actions since they stepped into the vacuum over there. They would be keeping up one of the finest Tory traditions and I am almost certain they could do no worse than the job that is now being done.

On a personal note, Mr. Speaker, I want to say how pleased and honored I am to be back here as the representative of the people of Redberry. I am pleased that many of them switched their support on October 18 and that a greater percentage than before gave their support to our Premier and our policies. I am honored to serve them because they are as fine a group of people as you will find anywhere. They are hospitable, co-operative and industrious and, Mr. Speaker, some of the finest and most popular cooks in Saskatchewan can be found among them. I am committed to fulfilling the responsibility they have placed on me. I will give what abilities I have and every hour it takes to serve all of them.

Since the election, Mr. Speaker, we have heard the Conservative leader complain on more than one occasion that this government hadn't moved to implement the programs on which it was elected. I thought and, I think many people had the same thoughts, this was a queer sort of performance even from him. Most people who understand even a little bit of how government works, know that it would take a session of the legislature and this year's budget before we could move to carry out many or any of our commitments. Even people who don't understand too well the workings of government thought this criticism strange in view of the track record of the NDP and Allan Blakeney when it comes to keeping election promises. They thought the opposition leader's comments strange, Mr. Speaker, because this government's record

is a record of success unmatched anywhere in Canada. I say anywhere!

On Monday, Mr. Speaker, the member for Thunder Creek (Mr. Thatcher) succeeded in going one better than his leader. In his remarks he bemoaned the fact that the NDP set out for people in clear and precise terms during the election campaign the things we would do if and when we were returned to office. Considering the speech by the Tory finance critic, I say a more open admission of the Tory approach to the election would be difficult to find, Mr. Speaker. The Tory approach in the last campaign was to make all kinds of wild promises which involved expenditure of extra public money. At the same time they heaped criticism on us for spending too much. That has continued into this session and has been pointed out by other members. The member for Thunder Creek continued the Tory approach — lots of harping about too much spending but no list of programs he would chop. None, Mr. Speaker! They have no list, just like Tories in Ottawa have none. They won't produce one, because if they did the public would be able to pinpoint precisely the reason for the uneasy feeling they have and rightly so — the feeling they would have that you can't trust Tories. Instead of a list of what they would chop, Mr. Speaker, Tories in this House continually trot out a shopping list of the goodies they want done. I say that is just not good enough. Either you Tories produce a list of what you would chop — the programs, the dollars and the cents — or you can expect to be upbraided every time you make the old Collver speech about cutbacks. You can expect to be upbraided every time you trot around with your shopping cart. In short, Mr. Speaker, I think the public will agree you can't have it both ways.

Mr. Speaker, I said earlier, most clear thinking people would have thought that this session and this budget was the time to judge if the NDP and this government could keep its commitments. I want the Conservative leader to keep score. I am sorry he is not here to do that. We said we would cut personal income taxes as resource revenues grow. Well, Mr. Speaker, resource revenues are projected to grow to \$515 million this year from last year's projected \$462 million. That's performance, Mr. Speaker, and further evidence that the NDP resource policies are working, not as Tories would have them work but they are working for ordinary Saskatchewan people. So what have we done about cutting income taxes? Mr. Speaker, 1,200 people will be removed from provincial income tax rolls because the tax credit will be increased to \$40 per dependent child. Mr. Speaker, \$22 million fewer income tax dollars will be collected because of indexing. Members opposite might say that is not good enough. I predict they will. I say to them, we have made a start. This is one year, and if I were sitting over there, I wouldn't get myself out on a limb about the next three years.

We said we would ease property taxes for senior citizens, Mr. Speaker. In this budget speech the Minister of Finance (Mr. Smishek) indicated that an additional \$15 million will be spent to do just that. Fifty-seven thousand senior citizens who live in their own homes will get help — help we think they have earned and deserve. Another promise kept, Mr. Speaker.

We said in our program we would eliminate the capital gains tax on farms, homes and small businesses. In this budget the minister announced the rebate program will go into effect with the 1979 taxation year . . . another promise being kept, Mr. Speaker.

We said we would expend revenue sharing to help hold down local taxes. This year, unconditional funding to local governments through revenue sharing will be increased 26 per cent . . . another promise kept. This 26 per cent increase is substantial, Mr. Speaker, particularly in view of the fact that last year we increased the amount by 45 per cent. Now I see from some of the press that a few municipal spokesmen think it isn't

enough, that we should have done more. I expect we will hear criticism from the Tories opposite saying we should have done more. In case they do, Mr. Speaker, I want members and the people of Saskatchewan to keep in mind, these are the same Tories who say we should spend less. Also, I want members and local government leaders and people to keep these facts in mind. First, overall spending of your provincial government will grow by 9.5 per cent this year. Secondly, of that overall spending, the amount spent for programs directed by the provincial government itself have been limited to a 4 per cent increase. Thirdly, for the portion of our spending that goes for local governments, payments to individuals and other third parties, these expenses have been allowed a 12.5 per cent increase, and these expense items account for two-thirds of the expenses of the provincial government. To those that want to say that 26 per cent increase in funding for local governments isn't generous enough, I say perhaps the answer hits closer to home in pointing an accusing finger at this government. We're living with a 4 per cent increase. How is it you can't live with an average 26 per cent increase which follows immediately upon last year's 45 per cent increase? I don't think that is an unfair question for us to ask of those that want to point an accusing finger at this government, Mr. Speaker. Now having said that, I want to point out that I strongly support the increase in our revenue sharing for local governments. It will be welcomed, I know, by local government leaders in my constituency who were immensely pleased with Phase I last year. I hope that in the next 10 years, if not in the term before that, we can find ways of enriching the basic revenue sharing pool still further over the above formula that is now in place and which would index municipal funding. I certainly hope that we won't close the door on discussions about the appropriate level for the basic pool of money involved in revenue sharing, because our local leaders did have a target slightly higher than we're able to afford at this time.

Mr. Speaker, we said we would provide a minimum of \$115 rebate for renters, to assist these people with living costs. The budget does that, and that's another promise kept.

Five out of five, Mr. Speaker, in case the Conservative Leader hasn't been keeping score over there.

We said we would provide assistance to people with their mortgages. The budget provides \$18 million for these purposes and young families in particular will welcome this assistance of up to \$250 each on this year's income. The Minister of Finance estimates this measure will affect more than 100,000 taxpayers and I say to them, we expect the Conservatives to vote against this budget and when they do I say to you, they are voting against this \$250 tax cut for all those young families, Mr. Speaker. You can't have it both ways. Mortgage assistance — another commitment kept.

We said we would work to reduce the cost of nursing home care. Allowances for level II care will be increased to \$156 per month; level III allowances will reach \$464 per month by virtue of this budget. We are acting on that commitment, Mr. Speaker — another promise being kept. I'm sure that in this term we could do even more because there isn't one member on this side of the House who isn't committed to seeing that Saskatchewan's senior citizens get the best deal available in this country.

SOME HON. MEMBERS: Hear, hear!

MR. BANDA: — We said we would extend children's denticare to age 18 and in this budget we will extend the coverage to those between 4 and 13. This program, Mr. Speaker, is a model for the rest of the country. It's being used by more than 85 per cent

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of those eligible. That, Mr. Speaker, is a vote of confidence and that, Mr. Speaker, is another commitment being kept.

We said we would set up a health research fund and the budget does that, Mr. Speaker — yet another commitment. In general, Mr. Speaker, the budget demonstrates we are keeping the commitments we made to see that in health care, Saskatchewan continues to lead the country. We are doing that and we are proud of that fact. Whether or not the Tories opposite are proud of some of the things some of their members — like the member for Thunder Creek and the member for Swift Current have said in the past about state financed medicare — I don't know, and frankly, I don't care. That's their problem. They have to live with the skeletons in their closet and the skeletons in their front benches, Mr. Speaker. We know, they know and the people of Saskatchewan know the Tory position on medicare and health care. If they want to continue to discuss it, I for one welcome the opportunity because their position here in Saskatchewan and in Canada, in other provinces, is the most dismal and miserable of any political party in Canada.

We said, Mr. Speaker, that we'd strengthen and expand our health programs and this budget does that. The Tories, if they vote against this budget, will be voting against that and voting against another commitment being kept. Mr. Speaker, we said we'd reduce the cost of farm fuel and we're doing that. We said we'd take steps to aid the building of farm homes and we will be doing that. We said we would back the crow rate with resource dollars and this budget indicates our plans to do that also. We also said we'd create new jobs in heavy oil and steel and the rest and the evidence is all around. Figures have been provided; we are doing that. We said we would expand benefits in rehabilitation for injured workers and this budget will do that also.

Now, Mr. Speaker, others will no doubt deal in greater depth with many of these programs. I hope they do. I know it will be welcome news to a large majority of the people of Saskatchewan because whether they voted for us or not, they do appreciate a government that keeps its promises. This budget, Mr. Speaker, indicates that we do keep our commitments. Out of 27 specific pledges we made last October, more than 20 of them have been carried out or acted upon in this, our first budget, within less than six months of the start of our term of office. That, Mr. Speaker, is another record of success — that's performance. It is that kind of performance that has the Tories opposite depressed, Mr. Speaker, and not the fiscal policy of this province. They know our position is one of the best in the country despite all of their huffing and puffing. They know that the people of Saskatchewan know that the debt which they try to make an issue of, is the second lowest in the country and that it is primarily a self liquidating debt for things like Sask Power and Sask Tel service expansion, not an operating debt like in Tory provinces such as Ontario.

They know and the people of Saskatchewan know that we are in good shape financially because taken together, the consolidated fund and the heritage fund show a surplus this year just as they have in years previous. They know these things, Mr. Speaker, and that is what depresses them. Their depression was forecast for them by their own temporary leader who used to say before the last election, that he had to get rid of the NDP government in that election or it wouldn't be possible to do it for a long time after that.

He knew and they know that this province is on the threshold of even a brighter future. If, over the next decade, we can properly use our resource revenues to stabilize provincial revenues, we can use those revenues to further stabilize the incomes of our

primary producers and our biggest, most important industry, agriculture. We can use those resource revenues to develop and enhance the Saskatchewan home grown and successful secondary industry connected with the agriculture industry. That secondary industry, together with our resource industry can provide jobs for Saskatchewan sons and daughters who can rise to the top of those enterprises because we are the masters in our own house.

We can and we will do those things. Mr. Speaker, and I suspect the opposition leader's prediction of their own demise will be borne out. But more important, the promise of a bright future for Saskatchewan people will unfold. That is my dream for our province, Mr. Speaker, and I think this budget gives reality to that dream. It provides more than just hope but rather, real substance to the hopes of so many people who dared to dream about the great future of our province. Because this budget does those things. I congratulate the Minister of Finance, and this government on a job well done, and I say with pride that I will support the minister's motion on behalf of the people of Redberry.

SOME HON. MEMBERS: Hear, hear!

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, I think one of the easiest ways ever to make a case that government waste is running amok would be to get someone on that side to admit that they are getting paid for writing these speeches.

Mr. Speaker, first, let me congratulate you on your re-election to your very important office. I have every confidence that you will carry out your duties with the same impartiality that you have demonstrated in the past.

Throughout the Throne Speech, Mr. Speaker, we have heard how our heritage fund is being invested. Government members opposite have been telling us about the wisdom of their investments, made by the socialist planners ensuring this inheritance to future generations; however, when the \$722 million was evaluated by the Department of Revenue planners, who tend to be a trifle more pragmatic and hopefully more businesslike than the members opposite, they projected the investment income in the form of interest derived from this figure of \$722 million would be a grand total of \$4,350,000. The return on the investment would be 0.5 per cent. One-half of one per cent; that is socialist performance.

Mr. Speaker . . . (inaudible interjections) . . . they get a kick out of this. Since this is the budget speech I would like to touch on a few concerns expressed to me by the people of Souris-Cannington, as it relates to the fiscal responsibility, or lack of it, demonstrated by this government.

Souris-Cannington is primarily an agricultural community and the net returns of agriculture have been reduced, in many cases, to a level where our young farmers just can't carry on. They are in fact leaving the farms and in many instances leaving Saskatchewan. They are tired of the heavy hand of big government, big business and big labor always digging into their pockets. They don't understand the increase in power rates, while at the same time this government is telling us that we are producing power cheaper than any other place in the country.

They don't understand why we are paying twice as much for natural gas imported from Alberta as we would otherwise pay if we uncapped some of our own gas wells. It's even more confusing, Mr. Speaker, in light of the recent National Energy Board's statement

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that we will be exporting some of our natural gas to the United States and in fact the consumers of Saskatchewan will be subsidizing the gas consumers of the United States.

They don't understand the increase in indirect health costs and, quite frankly, neither do I but we'll get into that one a little later.

They don't understand this government's flip flop back and forth on farm fuel rebates. And they don't understand that if we're going to have this program, why a rebate? Why the added bureaucratic hassle? Why not deductions at the source?

Mr. Speaker, frustration quite frankly has become a part of farming in the last few years. Consistently we have been faced with delays in transportation, in the handling of our grain, which has of course meant that we, as farmers, have lost income. The situation has deteriorated to such a point that we may now be in danger of not only losing our income but losing our customers as well. There has been an attempt made over the last few years to overcome problems are still there. As I see it, there has been a breakdown in co-ordination and communication between government agencies, grain companies and railroads. There's far too much small 'p' politics in the grains industry. On one hand, we have the Hon. Otto Lang through his wheat board spending money on 2,000 hopper cars. Little does it matter it seems that recent surveys indicate that 69 per cent of the producers were not in favor of the purchase of these cars, particularly since, until the port facilities are streamlined, these cars would amount to nothing more than more expensive storage. This amounts quite simply to subsidizing the crow rate through the back door. I know the government opposite has a well-defined position as it relates to crow but I wonder how they arrived at it?

SOME HON. MEMBERS: Hear, hear!

MR. BERNTSON: — I wonder how they arrived at it? Did they arrive at their position on crow the same way they arrived at their position on PRAC (Prairie Rail Action Committee)? PRAC as, you know, the whole world except Otto Lang is against. I'm a little suspicious about members opposite coming up with the position on PRAC when on a hot line show, the minister responsible for transportation in this province, when asked the question, have you read the report?, said no. But I'm against it; I've read it. Yes, I have, all of it. The Minister of Agriculture gets a kick out of this. Quite simply, it seems that the only reason PRAC decided that the Lewvan line should go was a political tool of Otto Lang from day one. The only reason that the Lewvan line should go would be to give Ralph Goodale a chance to save it and to enhance his somewhat dismal odds in the upcoming federal election.

During last October's election campaign, Premier Allan Blakeney stated he is running on his record of performance. Let's deal with this performance. From 1971 until 1976, during the period when he was Premier, the number of farms in Saskatchewan was actually reduced by 6,000. Remember this was during the period when the land bank was to help keep the young farmer on the farm.

AN HON. MEMBER: — Shame.

MR. BERNTSON: — To enhance rural Saskatchewan, to keep the family farm a viable operation, we, by recent revelations, now realize that land bank in large part was designed to discriminate in favor of the rich. In fact, the big get bigger and the small

disappear. They have disappeared to the tune of 6,000 between 1971 and 1976. For the benefit of you who haven't heard how the rich get bigger and the small disappear, it was brought up in the House here the other day. Suppose farmer A has a half section of land and decides to sell out. He invites Land Bank in for an appraisal. Farmer B, his neighbour, with 4 or 5 or 10 sections of land outbids the land bank appraisal by 5, 10, whatever thousand dollars, and buys the land. The transfer is made. In turn, Farmer B sells the land to the land bank at the originally appraised value suffering a loss to the tune of whatever the bonus was. The reason that he did that quite simply was just to expand his holdings to circumvent the intent of the program. The Minister of Agriculture (Mr. Kaeding) says he's doing nothing wrong so we can't see that there's really anything terrible about this. The simple fact is it has cost us 6,000 farms in Saskatchewan since 1971. That's how the program discriminates in favor of the rich. To date we have spent almost \$100 million through the Land Bank Commission acquiring land to help the big get bigger. There is an additional \$20 million in this year's budget to stock up the land bank pot so to speak; I notice Bill No. 47 tabled in the legislature is just about to increase the borrowing power of the land bank from \$100 million to \$300 million.

During the same period in Alberta, Mr. Speaker, the number of farms was increased and the number of farmers under the age of 35 was actually doubled. The Alberta fact, Mr. Speaker, was accomplished by the government guaranteeing loans at regular financial institutions, by government guaranteeing agreements for sale between buyer and seller, and in some cases, by government making direct loans to facilitate the transfer of land between generations — all of this, Mr. Speaker, at no direct cost to the taxpayer. The only thing that increased during this same period in Saskatchewan was the rate of decline in the number of family farms. In the same period, Mr. Speaker, our hog population has gone down from one million to 500,000. We have gone from three packing plants to one, and it is 45 per cent owned by this NDP government. I would be interested to know what the return on that investment has been over the years. How many millions has this government spent on its intervention into the packing business, to the detriment of the hog industry and to the agricultural community in general?

Mr. Speaker, this government which sets itself up as the saviour of the crow is in fact speaking out of two sides of its mouth. Since 1974 grain elevator tariffs have increased by 300 per cent, which represents a direct cost to our farmers of approximately \$100 million, an amount approximately equivalent to the crow rate subsidy.

The member for Morse (Mr. Gross) the other day was running off about secret meetings. Here's a meeting that there was absolutely no secrecy surrounding. It was a meeting, Mr. Speaker, held in Saskatoon early last year to discuss the increase in elevator tariffs. On an issue as important as the crow rate in Saskatchewan, this NDP government didn't even have a representative, let alone, present a brief. Mr. Speaker, let me turn to health for a while.

In recent months, the South Saskatchewan Hospital Centre decided that the Pasqua hospital will have no pediatrics ward . . .

AN HON. MEMBER: — Why are they laughing, Eric? Why are they laughing?

MR. BERNTSON: — They don't take this seriously. This was decided, Mr. Speaker, after the medical staff of the hospital explained to them why the motion was passed unanimously at the staff meeting to alert the public in an attempt to retain a pediatrics ward. They expressed their fear — and I think a legitimate fear — that the loss of the

pediatrics ward will eventually lead to the demise of the hospital. There are three hospitals in Saskatoon, each with a pediatrics ward. There seems to be no move afoot to centralize pediatrics in Saskatoon. The difference, of course, is that in Regina, all three hospitals are government owned and in Saskatoon, one is owned by the government, one by the city of Saskatoon, and the other owned by a religious order, each looking after their own interest, the interest of their particular hospital. In Regina, all of our hospitals are government owned and in fact, the whole Regina hospital regeneration program was authorized by this government on the recommendations of one of their hacks, a Dr. Clarkson, who would tell them anything they wanted to hear in any case.

The Pasqua staff made the presentation to the South Saskatchewan Hospital Board in which they indicated what well may happen if the pediatrics ward is removed.

1. Pediatricians would not be readily available for the control of a nursery for the obstetrics ward;
2. Without a first class nursery, physicians would probably elect to have their patients go to the General Hospital for maternity, leading to the loss of a 25-bed obstetrical ward;
3. With the loss of obstetrics ward, obstetricians who are also gynaecologists would not be readily available at the Pasqua for consultation. This would reduce the Pasqua to medical and surgical care only. Often in this care, female patients need gynaecological consultation. As this wouldn't be readily available, these services would as well, become second class. This would reduce the Pasqua Hospital to surgical and medical care for male patients only. This may be a bit of an exaggeration, Mr. Speaker, but I think it's a necessary exaggeration in order that this government can understand what we are trying to illustrate.

We also know that the Allan Blair Memorial Clinic is associated with the Pasqua Hospital. This government also seems to forget the tragic fact that children sometimes too, are afflicted with cancer.

The next department to suffer in this chronology of events would be the emergency out-patient department. They would suffer for lack of consultation for pediatrics and later obstetrics and gynecology. It would, in fact, become an emergency department that couldn't handle a vast majority of the emergencies. This government has demonstrated time and time again that it has selective hearing. The medical professionals have made their case. The government hasn't listened.

The projected growth for the city of Regina seems to be to the northwest. This is where all the young families would be living. This would be the easiest hospital for them to have access to. They have voiced their concern, but this government has not listened.

Mr. Speaker, I am going to wind it up very quickly. My time is limited. The member who spoke before me robbed some of mine so I won't feel too bad about robbing some of his.

I just want to touch, briefly, on the pharmacare program. I have criticized it before. You have been hollering at me saying, where would you trim the fat? I am going to tell you where you would trim the fat. I am going to use not my figures, but the figures of a study done at the College of Medicine, University of Saskatchewan, according to which the

first year of operation of the pharmacare program in Saskatchewan cost \$10 million more than did the pharmacare operation in Manitoba — \$4 million as opposed to \$15 million. Mr. Speaker, the difference, by and large, is in the way the program was set up.

The NDP government in Manitoba chose to . . . (inaudible interjection) . . . do you want to listen to how it really works? I don't mind, holler all you want. It is your air time I am using now . . . (inaudible interjection) . . . We will — put in the Manitoba plan count on it — at a saving of \$10 million. All the people are served. It is not a tax on the sick as is the situation in Saskatchewan. In Saskatchewan the sicker you are, the more prescriptions you require, the more dispensing fees you pay — a definite tax on the sick. I am going to wrap it up very quickly. Mr. Speaker, because my time has run out.

Mr. Speaker, I have suggested a couple of areas where the fat could be trimmed — like the land bank, dumping millions of dollars into an operation that could best be handled otherwise. The time for change is urgent. We have budget leaks. We have no ministerial responsibility. We have our fourth consecutive deficit budget in what should be buoyant times and this government chuckles about it.

I will not be supporting the budget.

MR. H.H.P. BAKER (Regina Victoria): — Mr. Speaker, I especially recognize and welcome all new members and former members elected to these Chambers as well as our capital city. My congratulations to you, Mr. Brocklebank — you are not in the Chair now — as our Speaker once again. I am pleased to see a lady member among us . . .

SOME HON. MEMBERS: Hear, hear!

MR. BAKER: — . . . I am sure she will add charm and grace to this Assembly. It is good to have women play a part in the political annals of parliament.

I thank our fine people in the Regina Victoria constituency for their faithful support given me over the past 15 years and electing me to this legislature has also been most gratifying. I wish to express a sincere, hearty thank you for their devoted confidence. I will do my utmost to live up to their continued faith and expectations.

I am pleased, Mr. Speaker, to be able to enter this debate on the budget for 1979-80. I think we can say the budget really speaks for itself but it is important that we continue to inform our people and the electorate of the many great things we have done and will do in the future. Some of the budget highlights which stand out in my opinion and have fulfilled promises and suggestions over the years include:

1. The 5 per cent rebate to a maximum of \$115 a year for rent paid by tenants is a good one because it is a payment for taxes paid indirectly, similar to a property improvement grant.

I may say I had advocated this in our Assembly ever since the property improvement grant was instituted. I may say also that I had advocated the homeowner grant idea in my maiden speech of 1965 and it was picked up by the government of that day.

2. A special property school tax rebate ranging up to \$460 for senior citizens will be most welcome. I may say another promise fulfilled.

3. We welcomed the higher allowances for citizens in nursing homes.

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4. A \$ 16 million reduction in farm fuel costs fulfils a promise and reduces the costs to farmers.
5. A provincial tax credit of up to \$250 on first mortgage interest will be a great help to a lot of families.
6. 4,600 young people who will be seeking temporary work this year through provided capital programs is a farsighted measure.
7. The creation of 1,900 new jobs shows we take an interest in our growing population seeking a good livelihood for the future.
8. Phase 2 of the revenue sharing plan shows a marked increase from \$35,400,000 to \$45,400,000 for this year. This gives local government the reinforcements it needs to hold municipal mill rates without cutting services.
9. I am pleased to see \$4 million earmarked for the establishment of agricultural and health research.
10. A rebate of capital gains taxes for farmers and small businessmen creates a stable economy for those who have accumulated earned assets.

However, I had hoped there would be a substantial sum of money in the budget for planned capital spending at a Regina university over the next four years, providing necessary facilities for new and expanded courses for this campus promised to us in 1961, and also promised when the new act came into existence separating the two universities. I look forward, Mr. Speaker, for solid action over the next year to bring this about.

The Ottawa government has hurt every province. They are destroying our financial structure in every province. Our Treasury here would be much better off if we were not confronted with inflation and gouging profits by undeserved corporates.

The terribly high interest rates are the greatest contribution to inflation. The unsettled dollar is creating devastating inflation more and more. While it may help us out in the West to create better competition for trade, we are forced to pay for it at the other end — using billions to shore up the dollar. We would have been better off if we had passed those billions on to the people in the form of dividends. The monetary manipulators are causing financial confusion and, I believe, for their own benefit. Canada is the wealthiest country in the world with its great diversified resources. Because of that, our dollar should not only be at par, but should be ahead of the American dollar. This hasn't only happened now, but has been going on far too long. Why did we lose \$25 million to \$30 million while ships were docked, waiting for grain to be delivered to the far East? Millions of dollars were lost to the farmers, and a good share of it lost in revenue for the budget we are now dealing with.

What are some of our needs now, Mr. Speaker? We need a new rail transportation system, with the continuation of the Crow's Nest Pass rates. We need continued orderly marketing with all grains under the Wheat Board, and we desperately need a new Minister of Transport.

SOME HON. MEMBERS: Hear, hear!

MR. BAKER: — Yes, we need a new government in Ottawa — a democratic socialist government. We need to get rid of those in charge of this country before they drive us overboard. The same situation exists today, Mr. Speaker, in Ottawa as it did under the Liberal government in 1929. They led the country to the point of collapse. R.B. Bennett appeared federally on the horizon in 1930 and finished the job.

SOME HON. MEMBERS: Hear, hear!

MR. BAKER: — MacKenzie King continued during the depression until it took a war to create a false economy; 1944 was a great year in this province. The people of Saskatchewan elected a democratic socialist government, giving back its respect. It gave back a strong measure of security for the people. In its budget then, as the budget does today, it thought of the people — all the people, rich or poor.

It was the beginning of the cradle to the grave programs. We've built on these programs, particularly the past eight years, in providing many health measures earmarked in the budget to be continued and expanded.

Isn't it great to have free medicare? I am sure the Alberta and Ontario people would like that too — no deterrent fees in the budget, no money for the doctors who think they are going to get it by billing people.

The budget continues to give free chiropractic service. It continues to provide added funds for nursing care covering higher levels. It continues to provide hearing aids within reason. It continues our fine drug plan.

It provides more for young people for dental care. A plan, I hope, will be fully implemented for all people over the next three years. A complete dental care plan, Mr. Speaker, is needed so that we can all share in the rising costs.

Yes, and all this is done under a medicare card, a card which is provided without even asking.

Yes, the budget provides great assistance to local governments. Last year's revenue sharing was a good beginning. This year's revenue sharing grant will help Regina hold its mill rate or come close to it. Coupled with our thriving city economically, we hope we can hold it. In 1977 for example, building permits in Regina were \$183 million. In 1978 they were \$163 million, a drop that can be attributed to work stoppages by employers and employees. This year I am predicting that our building permits could reach a total of \$200 million. I am told there is \$300 million for future construction on the drawing boards.

Yes, and I thank the provincial government for injecting moneys into our economy here and into all communities so that they can provide the needs of our people for a good life, and that everyone may have a good standard of living with full employment. Yes, the urban centres are doing well. The rural areas are doing well under this government. The 50 cents a bushel back pay for wheat from Ottawa will only plug a small leak. The \$3.50 a bushel for the initial payment next year is over \$1 per bushel short of meeting the cost of production for farmers.

SOME HON. MEMBERS: Hear, hear!

MR. BAKER: — Saskatchewan needs a strong agricultural economy. Regina and all centres will always need agricultural money. It is still our basic industry. Without agriculture the people of Canada would only have half of the standard of living they enjoy today. I am glad to see more emphasis on research for agriculture. A 30 per cent increase in wheat production by 1985 is a goal we must achieve not only for Canada but to help feed the hungry world. Yes, when the farmers have it, it helps keep our treasury full in Saskatchewan, coupled with our great wealth in potash, coal, uranium, timber and so many more minerals untouched. I predict in not too many years Saskatchewan will have the highest income on a per capita basis of any province in Canada. That is why our young people are staying here to build their future. Yes, this kind of wealth will also help to keep the provincial treasury overflowing.

Turning to energy needs, we hear that oil and gas is fast becoming a depleting resource over not too many years. Then let's do some real planning and utilize our coal industry to the full. Let's build three or four more Coronach plants so that we can expand our electrical energy, also to be used for heating purposes. Let's spread plants around in inland Saskatchewan even if it means trucking our coal or having it brought in directly by rail. Electrical energy may be the answer for our agricultural, industrial and heating needs 15 years from now. Perhaps we can produce enough for most purposes. Who knows? We may be driving electric cars 15 years from now. Solar energy is a long way off. I say build electrical plants now for future needs.

In this budget debate I am appalled at speakers who call for restraint in spending — in other words, again preaching austerity which can only lead to recessions and depressions. I have always stated in this House that we must have planned spending from public and private sources to meet the needs of creating full employment. A businessman must spend money to make money. We must spend money to keep up full employment and that will certainly help our finances in this province, when everyone earns and has a decent standard of living.

Spending to create work is not inflationary. Inflation as I stated earlier is caused by high interest rates, outlandish profits and, of course, a wobbly monetary system created by politicians who shouldn't be there. The \$5.2 billion trade deficit can be attributed to the falling dollar for 1978, over \$1 billion more than in 1977. I say there should only be a small fixed premium between the Canadian and American dollar to make us a bit more competitive for our foreign exports. This is one form of stability needed soon, not only for our American trade but a fixed monetary system for world trade, even if it means separate trade agreements recognizing this with them.

There are politicians who say that you must create unemployment to stop inflation — imagine, to be saddled today with over one million unemployed in this great country! Inflation is getting worse with a country reaching bankruptcy. Canada should not have any unemployment. The warnings are on the horizon; the financial structure of our country is decaying, unemployment has reached recession and depression proportions.

Yes, in this budget we stand out as an oasis in Saskatchewan as compared to other parts of Canada, hopefully in the future to blossom even further. How fortunate it is for us in Saskatchewan to be able to share in this great wealth so that we can all be good bread winners for our families, dedicating ourselves in this Year of the Child to continue to build a secure life for them. Yes, God has blessed this great land with many resources. We must use them wisely without exploitation for the benefit of a few.

This leads me to the problem of keeping this country for future generations. I have been really discouraged at the outcome of the First Ministers' Conferences to help weld this country together. In assessing each meeting held over the years it appears they have gained nothing. The resources of this province belong to Saskatchewan. They took place in the early '30s. Why should we keep defending our position? I say these conferences have become useless exercises. They have provided a podium for the Prime Minister and his colleagues to create a platform for promises for each election without living up to them, only to hoodwink the public, I am sorry to say all provinces have become a party to it.

The appointments to the Supreme Court could be arranged by agreement if we had an acceptable, sensible government in Ottawa. We don't need any constitutional changes to solve the ills of Canada. There is nothing wrong with the constitution as it is, if the federal government would live up to it. All we need to do, is repatriate our constitution, bring it home. We can do anything we want now, under it. We are told over the years that the constitution was stopping us from doing certain things. I recall we were told that there needed to be a change to work out our unemployment insurance. Not until M.J. Coldwell got to Ottawa did we get action and it came about without a constitutional change. The family allowance plan was out of the question, they said, if there was no constitutional change. We got it at the insistence of opposition CCF members in Ottawa and you all remember that. The Canada Pension Plan received the same treatment and was nearly disbanded. Today, it is looked upon as the greatest thing for our people.

Let's maintain our monarchy as a symbol for maintaining our togetherness as a Commonwealth of Nations. This is most important. Well, Mr. Speaker, we must go down to Ottawa to impress upon them the needs of our city and our province. Our international airport is long overdue. The reports have been completed. All we need now is money for the go ahead. We need federal support to go ahead with the CBC building. What about a start on the Mounted Police Administration building; we've been waiting a long time for this. I agree with the member across the way that the four-lane highway should be completed to the Manitoba border. This calls for an injection of funds from Ottawa. We need real money to complete our global railway re-location plans in Regina. The province has agreed to their share; the money is there; the city's money is there. Where in the world is Ottawa? For years and years, this has been jockeyed about. When are we ever going to get our fair share of finances and grants? The only answer is, of course, a new government and I can't emphasize that enough.

Who will or should take over in Ottawa? Naturally the only kind of government that would do things right is one like we have in Saskatchewan. However, Mr. Speaker, I find the Tories could probably win with a minority by default. If this happens, it would certainly be a good thing for us in Saskatchewan because they would create such a turmoil throughout Canada that at the next provincial election most of our friends across the way here, would not be back in this Assembly. This of course, will also set the stage for a New Democratic Socialist Government to work toward a complete win in Canada. Mr. Speaker, this I believe will come true and seeing my time is up. I'm very pleased to support this fine budget.

SOME HON. MEMBERS: Hear, hear!

HON. E.E. KAEDING (Minister of Agriculture): — Mr. Speaker, it is with a great deal of pleasure that I rise to support the budget proposed by my colleague the Minister of

Finance. I'm very pleased to be able to support this budget. I think the Minister of Finance has done a tremendous job in putting together a very good program for the people of Saskatchewan. It is a budget that consolidates and reinforces the numerous initiatives launched by this government since 1971 in the areas of agriculture, industrial development, social services and resource development. The budget reflects the government's commitment to ensuring that the benefits from resource development and economic growth accrue to the present and future generations of Saskatchewan residents.

With the exception of the years of the Liberal administration, the social and economic policies and successes of Saskatchewan governments, beginning with the formation of the CCF government in 1944, have given Saskatchewan a reputation of the most progressive and forward looking province in Canada. This is evident in the many innovative and imaginative agricultural and rural development programs introduced by our government during the last eight years.

Mr. Speaker, I would like to just take a couple of minutes to reply to some of the charges made by the member for Souris-Cannington (Mr. Berntson). I'm sorry he's not here to hear what I have to say. He talks about the fact that we had no representation at the Canada Grains Council meeting in Saskatoon at the hearings last year when they were dealing with grain handling charges. I want to tell him that I, personally, on behalf of the government, made a separate lengthy submission to that committee. We outlined our concerns with the increases in the rates which were being proposed and we also outlined our concerns about the lack of any control over apparent over building in the elevator industry across the province. We see in many areas where elevators are being built not because they are needed, because there's any need for more space in those points but simply because that's where the competition is. I will deal later with the problem of the land bank issue which he dealt with. I propose, Mr. Speaker, to review with the legislature and in particular for the benefit of the new members opposite, the many and significant accomplishments of this government in furthering the development of Saskatchewan agriculture.

The first program I want to deal with is the Grazing Lease Improvement Program and community pasture development. The work on improving community pastures is now substantially completed and the emphasis is being shifted to maintenance and rejuvenation. Since the improvement program began in 1972, the carrying capacity in the pastures has been increased by about 10,000 head. The annual capital expenditure has averaged slightly over \$1 million and there are now currently about 3,600 patrons enjoying community pasture privileges and with improved cattle prices, the numbers will no doubt increase.

Mr. Speaker, another program that has significantly benefited beef producers is the Grazing Lease Improvement Program which was introduced in 1973. We recognized the untapped potential of much of our public grazing land and were prepared to invest in the improvement of that land so that lessees could intensify and expand their cattle operations. Since that program began, there have been over 74,000 acres of land cleared and 95,000 acres broken. Investment in the program has averaged close to \$1 million per year and the demand continues to be strong amongst the 7,500 lessees in the public grazing program. Land development work carried out under the Community Pasture Improvement Program and Grazing Lease Improvement Program resulted in doubling of productivity in the prairie area and up to seven times increase in the parkland area of this province. Since 90 per cent of development under the Grazing Lease Improvement Program has taken place in parkland pastures, it is a having a

significant impact on lessees by encouraging intensified production within existing fence lines. Also, much of the clearing and breaking has been done on small lease units, thereby benefiting many of the smaller operators. The same holds true for community pastures. In total, the two programs are serving and benefiting over 11,000 farmers. I should note that in all of these developments, a consideration is being given to wildlife concerns and critical wildlife habitat.

Another important area of land development is the flood control and drainage and irrigation works, carried out by the Conservation and Land Improvement Branch. Since 1971, under the group irrigation program, 1500 acres have been brought under irrigation. In 1979, the Grainland irrigation project, north of Central Butte, will be started. The initial size of that project will be approximately 1200 acres, with sufficient capacity to irrigate an initial 1000 acres. It is expected that 30 to 50 farmers will benefit from the additional forage supplies that will be available. The total cost of this project is estimated at \$700,000, with approximately \$300,000 of that total being spent in 1979 and 1980. Under the individual irrigation program the Conservation and Land Improvement Branch provides free engineering and technical services to individual farmers to develop irrigation. This service is a significant contribution and over the last few years, has been requested by approximately 150 to 175 farmers per year.

Since 1971, over 260 farmers have received assistance grants amounting to over \$475,000. These grants were paid to farmers developing irrigation of over 14,000 acres — a significant amount, Mr. Speaker. In 1979 and 1980, grants amounting to one-third of the eligible costs to a maximum grant of \$35 per acre on 50 acres, will be available to farmers for irrigation. Since 1971, over \$5 million has been spent on capital development on the east side of the South Saskatchewan irrigation district. Developments on the east side are now three-fourths completed — they are getting there, Larry.

Mr. Speaker, in October, 1977, we established the Outlook Irrigation Branch in my department, in order to provide accelerated development of irrigation acreage and to encourage production and processing of specialized irrigated crops in the Outlook district.

We anticipate the development of 5000 acres of irrigated special crops over the next five years. The organization of a Saskatchewan Vegetable Marketing Commission is expected to provide real leadership in marketing products from this area. I expect the members opposite will oppose that marketing commission. I suggest that he should talk to some of his friends.

This, Mr. Speaker, is just one more proof of this government's commitment to the goal of a further diversified, intensified and expanded agriculture economy in Saskatchewan. Since 1971, we have provided over \$7 million to support the construction and maintenance of flood control and drainage works undertaken by local, organized groups of farmers — local control.

There are approximately 85 active area authorities, including watershed associations, in Saskatchewan. These local authorities are responsible for assessing in excess of four million acres of farm land for administrative costs, and over 2,250,000 acres for project development and maintenance. These acreages have been on the increase for a number of years. These organizations are responsible for the upkeep of approximately 1,450 miles of flood control and back-flood irrigation works.

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Since 1971 approximately 400 miles of main drainage works have been constructed and improved. There are approximately 6,000 farmers involved in organized flood and drainage control programs. The Yorkton Creek Watershed Association is sponsoring a major multi-purpose water development project near the city of Yorkton. This project, which started in 1978, is estimated to cost in excess of \$1,700,000 with my department contributing roughly \$800,000 towards that project.

In addition to controlling the level of wildlife and recreational lakes in the area, approximately 30,000 acres of farm land will obtain some benefits, with approximately 9,000 acres obtaining direct de-watering or protection benefits. The project is scheduled to be completed in 1981.

Mr. Speaker, along with this government's initiatives in developing the productive capacity of agricultural land, we have taken significant steps to promote the development of an even more efficient livestock industry in Saskatchewan. We already have an efficient and high quality livestock industry in Saskatchewan, but we recognize there is always room for improvement.

Of particular importance are the record of performance and progeny testing programs run by our department. These programs enable beef, hog and dairy farmers to identify superior breeding animals for replacement and upgrading of their herds. Over the long run, the genetic herd improvement means faster average daily weight gains for cattle, leaner hogs and higher-yielding dairy cows. This, in turn, translates into millions of dollars of profit to Saskatchewan's livestock producers.

In response to requests from the livestock industry for the streamlining and strengthening of regulatory programs in the area of inspection and reporting procedure, we repealed, in the last sitting of the legislature, seven existing acts and replaced them with the animal products act, the animal identification act and the stray animals act. I might add, Mr. Speaker, that all three of these acts were drafted in close and extensive consultation with the industry.

Along with expanded productive capacity, a key to the development of agriculture in the province is expanded marketing opportunities. The initiatives undertaken in the marketing area since 1971 include — the establishment of the hog, the sheep and wool and the vegetable marketing commissions; the development of the farmers' market program; the creation of the market development fund, funded this year at the level of \$350,000; the establishment of the Agricultural Development Corporation and the launching of the Marketing and Economics Branch of the Saskatchewan's Own Program to promote Saskatchewan agriculture products in our own market. Mr. Speaker, this list reflects the commitment of this government to the development of market opportunities for Saskatchewan products in an organized and effective way.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — Mr. Speaker, let me now turn my attention to two of the most important agricultural programs introduced by this government — programs which have received widespread and even international attention and acclaim — I am referring, of course, to the land bank and the FarmStart programs.

The Saskatchewan Land Bank Program came of age in 1978. As of now, there are approximately 2,550 lessees in the province. In 1978, some 350 lessees completed five years of leasing. The Land Bank Act, the land bank regulations, and the land bank

lease all set out the lessee's option to purchase, when he or she reaches that plateau. Of these, 44 elected to purchase, representing 12 per cent of the lessees who had the option available. The Land Bank long term leases continue to the leasers age of 65, and they can be extended beyond that at his request. The purchase option which was available in 1978 continues open to the end of that leasing term. The price paid by the commission is the average of what was recently paid by other purchasers for similar land in that area.

Mr. Speaker, this government believes that there are reasons why a farmer should want to own his own land. For instance, he may want to establish a borrowing base. He can put on improvements to his own specifications; the desire he may have to own his own land is then satisfied. With this in mind, the Homestead Rebate Program was put into place. The home quarter, or any other quarter, if the lessee did not live on his land bank land, is designated for a rebate to assist in the purchase of one quarter section. The rebate is 20 per cent of the purchase price to a maximum of \$5,000. So long as the purchaser remains actively engaged in farming, continues to own the land and resides in Saskatchewan, this rebate is paid back in five equal instalments over the next five years.

Let no one, Mr. Speaker, underestimate the benefits to the lessee of this Homestead Rebate Program. It provides the lessee with a lump-sum equity in the property which he can use as a security when he approaches the Farm Credit Corporation for funding of the balance of his loan. The grant provides a lump-sum benefit at the beginning of the purchase period which reduces the interest cost on that amount through the lifetime of the repayment period. The financial implications of the interest saving is in addition to the initial cash saving which he receives. There are 300 lessees from 1973 who can still exercise their option to purchase in 1979 or beyond. The 1974 lessees are now eligible to purchase which adds another 500 lessees to the eligible list.

Mr. Speaker, the sales record of Land Bank is commendable considering that members opposite have continually and vocally advised the people of Saskatchewan that Land Bank would never sell land.

AN HON. MEMBER: You're rotten.

MR. KAEDING: — We offer them freedom to choose, Mr. Speaker, whether they wish to purchase at a fair price or to continue to lease at a favorable rate. The choice is theirs, Mr. Speaker, it is not one where we tell them that they've got to go out and buy — we simply tell them, you have a choice to buy, you have a choice to continue to lease. This is a far cry, Mr. Speaker, from the philosophy of some of the members opposite who feel that the younger farmer should have to outbid all the others, and if he hasn't got the bucks, tough luck Buster, you just don't get any of that. That's the philosophy we hear expounded quite constantly from over across the way.

Another innovation in 1979 was the change to the production-based rental formula. All rents until the end of 1978 were based upon the percentage of land value. The rapid escalation in land prices over the five years made this method of rent calculation realistic. The new production-based formula uses the last 15 years crop yield data as recorded by the Saskatchewan Crop Insurance Board for each parcel of land. All farms are assumed to be on a 50 per cent crop-summer fallow rotation. Wheat and barley prices used are those of the last wheat board pooling year less average handling and freight charges for number two red spring wheat and for number one feed barley. Oilseed prices used are the averages of the open market prices on each for the previous

calendar year.

The above information permits the calculation of gross returns. The land bank charges 20 per cent of this as rent, on the average — the better land paying up to 23 per cent and the poorer land paying as low as 17 per cent — and the lessee pays the taxes. The advantage of production based rent is that rents fluctuate up and down in relation to the returns to farming for the year. The rent more closely matches the ability of the lessee to pay.

The big advantage to the lessee is that the good operator, a superior operator, should have no trouble in out-yielding crop insurance 15-year average figures, and the lessee gets the total advantage of any extra bushels produced. Good farming practices, therefore, pay off to the lessee, the spin-off benefit being that land banks should be maintained in good condition.

Land under the control of the land bank is now nearly 1 million acres, for a cost of about \$93 million. Within a few years, it is expected that the acres and the dollar figures will stabilize. Those lessees buying out of the program will provide a large part of the capital funds needed for the new younger farmers coming in.

I was interested, Mr. Speaker, in the comments from the member for Souris-Cannington (Mr. Berntson) when he said we were turning land over to rich farmers. I spent a great deal of time going around this province visiting young farmers across the province who got their start through the land bank and the FarmStart program. I didn't see any rich farmers out there, Mr. Speaker. I saw a lot of young farmers who are struggling very hard to try to get ahead, and I saw many young farmers and talked to many young farmers who thanked us for the opportunity which we had given them through the land bank program to get their start.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — Mr. Speaker, FarmStart, along with land bank, was developed in the early 1970's as the core of Saskatchewan's agricultural trust to promote rural development by enabling young farmers to establish viable farming operations through diversification and intensification of production units.

With agriculture accounting for approximately one-half of Saskatchewan's total economy, the agricultural recession in the late 1960's and early 1970's placed severe pressure upon the family farms that form the foundation of our province. In the early '70s the family farm base was being eroded. The high cost faced by potential farmers was keeping them off farms and forcing others to seek employment in the larger urban areas. For those farmers prepared to take the risk, existing credit institutions were strongly biased towards large extensive grain farms. It was to deal with this situation that FarmStart was developed. Particular care was taken to ensure that FarmStart would provide a comprehensive rural credit program which combined both monetary assistance and farm counselling and training. To date there are over 3,000 FarmStart clients taking advantage of a regular grant and loan program.

Mr. Speaker, FarmStart, with loan and grant programs, is successfully meeting its three major objectives:

1. To provide credit and grants to eligible farmers to assist them in developing viable

farm units,

2. To encourage diversification of the agricultural industry by the promotion of livestock production and the more complete use of individual farm resources,
3. To encourage employment in the province by providing a larger base of livestock production and thereby the potential for further secondary processing within the province.

The average age of all FarmStart clients is 29 years. Since approximately one-third of our province's farmers are over 54 years of age, there certainly is a need for these young farmers to become established. At the present time, approximately one-third of all approved loans is going to people who have not managed their own farms prior to receiving their FarmStart loan. A further approximately one-third of all loans is going to farmers who have managed their own farming operation for a few years and have been forced to work off the farm to obtain a decent living. Many of these people are at a critical point in their farming careers and with FarmStart assistance, which includes low interest rates, grants and flexible repayments, they are developing viable farm units.

Mr. Speaker, one of the exciting areas of agricultural development and one that could be described as a new frontier within the context of the western world, is FarmStart's emphasis on irrigation. Assistance for irrigation is available both inside the South Saskatchewan River irrigation district and anywhere else in the province where feasibility can be shown for it. To date, in the South Saskatchewan River irrigation district No. 1, FarmStart has approved 57 loans for over \$1.5 million. Forty per cent of the irrigation operations in the South Saskatchewan River irrigation district are receiving FarmStart assistance.

Saskatchewan farmers have just come through a period of depressed beef prices. To assist farmers to maintain and expand their breeding herds, FarmStart approved 3,086 beef loans for a total of approximately \$50 million. According to FarmStart estimates, approximately 140,000 head of breeding stock were purchased through this loan and grant program. In providing support to the hog industry in Saskatchewan, FarmStart has 597 active hog loans with approved assistance of approximately \$12.7 million. This current year alone has been a record one for hog assistance, a 94 loans for approximately \$3.7 million. Thirty-seven per cent of all hog producers in Saskatchewan who market 1,000 hogs or more are FarmStart clients . . . (inaudible interjection) . . . couldn't hear you.

In the dairy industry, FarmStart has 543 loans for approximately \$17.2 million. Of the approximately 900 milk producers in Saskatchewan, over half of them have FarmStart loans. I suggest the member for Moosomin may know about those.

FarmStart's participation in the poultry industry is witnessed by 38 loans, totalling over \$1 million. In addition to loans and grants, FarmStart has administered several other programs which have provided massive assistance to the livestock industry in Saskatchewan. As an agricultural lending agency, FarmStart has been able to implement programs to meet urgent needs. In '74, '75, '76, '77 and '78, FarmStart loaned and turned over approximately \$167 million in interest-free cash advances to Saskatchewan's cow-calf producers.

In 1976, under the Beef Industry Assistance Program, FarmStart distributed some \$31

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million in outright grants to 26,000 cow-calf producers. That did a great deal to keep some of our young farmers in the cattle business so they are now able to take advantage of the higher prices.

The currently high beef prices ordinarily would have required all of that loan to be repaid, according to their contract. However, due to the cash flow problems which farmers may have as a result of the long period of depressed prices, only 15 per cent of 3 the loan was required to be paid in 1978 and one-half of the balance has been required as payment for 1978-79. For those farmers with special cash flow problems, longer term arrangements have been made.

In order to maintain and strengthen FarmStart's positive contribution to rural Saskatchewan in a period of continuing inflation new eligibility criteria have been developed. The new criteria are as follows.

The maximum net income has been raised from \$15,000 to \$18,000; the maximum net worth has been raised from \$60,000 to \$113,000; the maximum productive assets have been raised from \$180,000 to \$200,000 and the loan limits have been raised from \$80,000 to \$90,000. These are for regular loans. For areas inside the South Saskatchewan River irrigation district they are substantially higher.

Mr. Speaker, with our new approved criteria we feel confident that FarmStart will continue to provide opportunities for farmers wishing to expand their farms and for people who wish to enter farming.

Members opposite will no doubt say that there have been some failures and some unfortunate experiences. We cannot deny that, since we are lending to a risk group that most financial institutions would not accept. We cannot guarantee success to anyone; we can only provide the opportunity and the rest is up to the client. But we are proud of the many successful operations in our province resulting from this valuable program.

Mr. Speaker, I previously referred to Land Bank and FarmStart as two of the most important agricultural programs introduced by this government. A third and equally important one is The Farm Ownership Act.

It is my belief, Mr. Speaker, that with these three measures this government has taken giant steps to ensure that young people have the opportunity to realize their dreams of going farming and that our farm land remains in the hands of Saskatchewan farmers.

Mr. Speaker, there are great challenges ahead for the agricultural industry in Saskatchewan and in Canada. Recent projections from the Food and Agricultural Organization of the United Nations show a continuing rapid increase in the world population and the resultant requirement for vast amounts of all kinds of food products.

In calculating Canada's share of the anticipated world demand, even if we were not to increase our share of that market, the Canadian Wheat Board has estimated that we will be able to market 30 million tonnes of western grain by 1985.

In other words, in order to meet even our average share of the world market by 1985, we will have to produce 50 per cent more. No calculations or projections are available after that date but there can be no doubt that the demand will continue to escalate rapidly. As one of the few large surplus-producing regions of the world we must be

prepared to meet that challenge. To do so will require good management, good husbandry, huge amounts of research into new and better varieties, and better methods of weed and insect control.

As the concern for our environmental well-being increases, substitutes will have to be found for many of the chemical compounds now used to increase production and yet maintain the volumes required. New farming techniques will be required — reducing or eliminating summer fallow, continuous cropping, no till seeding and so on, are all in their experimental stages. Our challenge will not only be to perfect the techniques but to deliver the results of the research and experimentation to the farm level in a way acceptable to the farmers of the province.

The federal government in its haste to reduce overall spending has seen fit to reduce its commitments to many areas of agricultural research. Mr. Speaker, this government recognizes that its funding of agricultural research is an investment in Saskatchewan's future. My department has aided and encouraged the diversification of crops in Saskatchewan. The opening, funding and development of the Crop Development Centre has already proven its value. Funding has grown from an initial grant of \$348,000 in 1974 to \$783,000 in this fiscal year. The centre has just developed the first variety of lentils to be licensed in Canada. Lentil production has grown from 15,000 acres in 1970 to 21,500 acres in 1978. It is anticipated that the acreage will increase to 37,000 acres by 1979.

The Crop Development Centre coupled with initiation, encouragement and development of a pulse growers' association by my department has stimulated interest in and developed agronomic practices suitable for the production of pulse crops in general in the province. Pea production has expanded from 5,000 acres in 1972 and is predicted to go to 29,600 acres in 1979. Fababeans, a little known product, grown on only 55 acres in 1972 will be grown this year on approximately 11,000 acres. The special crops demonstration fund has encouraged the introduction of dry beans, grown on only 164 acres in 1977, it is expected to be grown on approximately 550 acres in 1979. Special crops demonstration programs in corn and sunflowers have led to the development of small but expanding acreages of these crops. Sunflowers were grown on 11,000 acres in 1978 and corn silage on 2,500 acres.

Mr. Speaker, the export value of special crops and the contribution of some of them to soil fertility and the added diversification they provide to Saskatchewan's agricultural economy will, with continued support, provide greater stability to agriculture in Saskatchewan. Some may say, Mr. Speaker, that the volume of production of these special products is small and of no real significance. We should not forget that it was out of such an humble beginning that our very valuable rapeseed industry started only a decade or so ago.

But, Mr. Speaker, it is not only in the crops area that we provide significant research funding. Farmers, agrologists and researchers have through the years expressed growing concerns over the ever-increasing problem of soil salinity in this province. Provincial funding was provided in 1974 to initiate a soil salinity study which prepared a tabulated inventory of soil salinity in the province. This year the Institute of Pedology will receive funding for \$308,000 to carry on its work. Other research grants include: \$50,000 for the POS Plant (Protein, Oil and Starch Pilot Plant) in Saskatoon; \$250,000 for the Veterinary Infectious Disease Organization; and \$50,000 to the Swine Research Unit, which is in addition to the \$900,000 provided last year to enable construction by the University of Saskatchewan, of a 250 sow-swine research unit. In

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addition to this there is a grant to the Prairie Agriculture Machinery Institute of \$1,067,000. This is a total, Mr. Speaker, of \$2,508,000 in grants to agricultural research organizations. However, Mr. Speaker, this is not all; this government is not content to rest on its laurels. Accordingly, Mr. Speaker, I will be introducing at this sitting of the legislature The Saskatchewan Agricultural Research Funding Act, 1979.

This act will provide an ongoing capital fund to support agricultural research in Saskatchewan. It will also include a Saskatchewan Agricultural Research Board, the majority of whom will be practising agricultural producers, to determine agricultural research priorities in the province and to administer the fund. Mr. Speaker, \$3,250,000 in my department's budget will go to initiate the fund in 1979. This will be a capital contribution. The interest earned will be available to the board on the basis of the priority it establishes to launch new research projects and to increase funding for existing projects. As additional money becomes available this will be added to the fund.

Therefore, the total funding for agricultural research in the 1979-80 fiscal year is \$5,758,000. This is an increase of 70 per cent over last year, Mr. Speaker, and an increase of over 8,000 per cent over the last year of Liberal government.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — Mr. Speaker, these are impressive figures and I am proud of this government's tremendous record in the support of agricultural research. It is a record second to none.

All of us are aware on almost a daily basis it seems of the incoming eroding effects of a prolonged and high rate of inflation. We now have lived with world-wide inflationary conditions for a seemingly interminable period of time with no relief in sight. Indeed, the latest oil price increases caused by the Iranian crisis will result in even greater inflationary pressures. As a provincial government we have no control over international inflationary forces nor do we control prices. What we can do is to provide a measure of relief through prudent fiscal measures. It is for these reasons, Mr. Speaker, that we re-introduce the Farm Cost Reduction Program at a cost of \$9 million for this fiscal year and \$16 million in the coming fiscal year. Hopefully the need for this type of program will over time be eliminated through increased returns to farmers from higher grain and livestock prices.

Mr. Speaker, the combined estimates from my department and the cost reduction program amount to a total of \$70,499,000 for Saskatchewan agriculture. That is an increase of 29 per cent over last year's budget. These figures speak volumes about the priority of our government's place in agriculture and compare somewhat significantly, Mr. Speaker, with the recent figures just released from Manitoba where the Tory government in Manitoba cut the budget for agriculture in that province by 15 per cent. It indicates, Mr. Speaker, some of the significance of what this government feels needs to be done for agriculture and what the government of the Tory province of Manitoba feels is a priority in that province.

Mr. Speaker, my department in co-operation with the Department of Environment is nearing agreement with the federal Department of Regional Economic Expansion on two cost sharing agreements to replace the existing ARDA (Agricultural Rehabilitation and Development Agreement) agreement which expires this year. These agreements will provide cost sharing of a large number of existing and projected land and water

development programs. We anticipate an early signing of these agreements.

Mr. Speaker, our government firmly believes that local governments can and must assume increasing responsibilities for community planning and development. The local people are the ones who have the best knowledge and understanding of the problems, needs, and aspirations of their communities. There are some issues and problems such as unemployment, transportation and rail line abandonment which cannot be solved at the local level and require the co-operation of local and senior governments. It is our view that senior governments should act in a supportive fashion rather than in a directive and authoritative fashion. I'm happy to say that this is the guiding principle in our government's dealings with local communities.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — We have steadily increased the amount of unconditional grants to municipalities. and now, with the introduction of revenue sharing, rural municipalities are assured of transfer payments that will grow with the provincial economy.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — Furthermore, the unconditional portion of this funding has again been increased as will be outlined later on, I'm sure, by my colleague, the Minister of Municipal Affairs (Mr. MacMurchy).

Mr. Speaker, for my part I intend in the coming months to consult with, and seek the advice of, the Saskatchewan Association of Rural Municipalities, of regional agricultural councils, rural municipal councils, district agricultural boards, and other interested parties on how my department can work even more closely than it now does with the local communities in the development, initiation, and management of agriculture programs . . . (inaudible interjection) . . .

Mr. Speaker, there is a substantial figure of \$3 million included in the estimates of my department earmarked for freight subsidy on processed products.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — This item is part of the package put forward last fall by my colleague. The Hon. Gordon MacMurchy, the minister in charge of the transportation agency and known by many as the MacMurchy crow rate plan. Under this proposal the government Saskatchewan would commit itself to providing freight assistance to agriculture products processed in Saskatchewan in return for a guarantee by the federal government to maintain the crow rates on grain, with the federal government paying the difference between the crow and an agreed-upon compensatory rate to the railways, either in cash or in kind, and a commitment by the railways that satisfactory service would be provided.

It is our hope, Mr. Speaker, that in future negotiations with the federal government and with western provinces some such agreement can be achieved. This proposal is consistent with the Hall Commission report which recommended that the federal government accept the responsibility of maintenance of the crow rate and, further, recommended that a crow-related rate be established for processed products. In order to get some movement by the federal government on this issue we felt it incumbent on the provinces to show their desire to co-operate by putting forward a serious offer in

good faith to achieve the second of Justice Hall's recommendations . . . (inaudible interjection) . . .

We have, therefore, committed \$3 million in this budget to that end as an indication of our sincerity in these negotiations. This may not prove adequate as further negotiations take place and other products are considered in the mix to be supported. Let me make it clear, however, Mr. Speaker, that in dealing with the crow rate issue it is not our intention to make any deals with the railways. It is the belief of this government that it is the responsibility of the national government, as part of a national transportation policy, to stand by its statutory commitments on the crow rate. That's what Justice Hall said and that's what we say. Our negotiations will, therefore, be with the federal government not with the railways or with groups of people who meet in secret in the night.

SOME HON. MEMBERS: Hear, hear!

MR. KAEDING: — Mr. Speaker, I think that by now we are all aware of the Canadian Wheat Board's projections for the growth in the world grain trade between now and 1985. If Canada just maintains its share of that trade, our grain exports in 1985 will reach 30 million tonnes. This is an increase of 50 per cent over the current level of exports. But the challenge faced by Canada is not just to meet the export demand for grains in 1985 and beyond, it's also to meet the export demand of today.

According to the wheat board, if transportation had been available when there was a demand, exports could have reached 25 million tonnes in the last crop year. Actual exports were only 21 million tonnes. As a result of lack of grain cars and co-ordination of the system, the board had to defer over 2 million tonnes of committed sales in the 1978-79 market year. Besides the deferral, the wheat board had to turn down sales of another 2 million tonnes of export grain. In effect, Mr. Speaker, this means 4 million tonnes of lost sales to prairie farmers. At the current price of \$190 per tonne, this means a loss to the prairie economy of \$760 million and if Saskatchewan's share of the market is 56 per cent, the loss to the Saskatchewan economy is roughly \$426 million. I understand another million tonnes had to be deferred from last fall's shipments. I suggest that at the rate it's going this year we are going to have another shortfall this year.

Considering the projected rate of growth in grain exports and the rate at which boxcars are going out of service, there will be a shortfall of over 15,000 grain cars by 1985 resulting in export losses of between 10 and 14 million tonnes.

Mr. Speaker, the wheat board says it can market 30 million tonnes in 1985. There is a general agreement that farmers in the Canadian Wheat Board area can meet that target through reduced summer fallow, increased fertilizer usage, high-yielding varieties, improved farming practices and so on. This golden opportunity, however, will be lost unless steps are taken now to develop the grain delivery system to meet the grain export demands of today and in the 1980s.

Farmers can, and they will, produce the additional quantities provided they can be assured they can deliver their grain and, of course, receive a fair price.

As a part of the national transportation policy, it is the responsibility of the federal government and the railways to provide adequate trackage and rolling stock to enable western farmers to take maximum advantage of expanding world grain markets. This is

particularly so because there are no practical alternative modes for transporting grain, in effect, making farmers captive to the railroads. For their part, the grain handling companies must ensure the development of necessary terminal facilities and a country elevator system that provides the most efficient and least cost service possible to farmers. It is an intolerable state of affairs, Mr. Speaker, when the wheat board sees no other alternative than to use producers' money to purchase its own hopper cars and feels compelled to consider providing loan guarantees to grain handling companies for construction of terminal facilities on the west coast. Adequate capacity to move grain, however, is only one part.

AN HON. MEMBER: — Are you in favor of the car venture or are you against it?

MR. KAEDING: — I'm in favor of the cars. We've got to move that grain. Adequate capacity to move grain is, however, only one part of the equation for enabling the Canadian Wheat Board to compete effectively in a world grain market.

AN HON. MEMBER: — Do you disagree with the wheat board on the purchase of cars?

MR. KAEDING: — The other part is control and co-ordination of the grain delivery system. Efficient legalization of the system for export movement is impossible as long as the current domestic feed grains policy with its unregulated off-board grain deliveries continues alongside the orderly wheat board marketing system. Mr. Speaker, on top of an inadequate grain car fleet and an abomination of a feed grains policy which are costing Saskatchewan farmers hundreds of millions of dollars, we now have the Prairie Rail Action Committee report, which must rank as one of the worst hatchet jobs ever perpetrated on rural Saskatchewan. The abandoning of 756 miles of branch lines, as recommended by PRAC, would have a devastating effect on the fabric of rural Saskatchewan. Removal of rural lines will raise the cost of farming and will mean lost revenue for municipalities and higher road costs for provincial and municipal governments. It is quite clear that PRAC's sole objective was to minimize federal upgrading expenditures through maximum abandonment and cost transfer to rural municipalities.

AN HON. MEMBER: — Did you read the PRAC report, Mr. Minister?

MR. KAEDING: — No.

AN HON. MEMBER: — He didn't read it. He didn't read it . . . (inaudible interjections) . . .

MR. KAEDING: — Did I read it? Yes, I read it. I'm sure that I have more to do than read 1,000 pages . . . (inaudible interjections) . . . Our government will lend assistance to local retention committees in their fight to reverse the abandonment recommendations.

Now, Mr. Speaker, I'd like to reflect for a moment just on what the member for Kindersley (Mr. Andrew) said in the House the other day on March 6th. First of all, I would like to commend the member for Kindersley for having indicated his support to the crow rate and the Hall Commission. It's nice to hear somebody from the other side of the House make such a statement but I find that the member is not too well advised in short-term political history. He alluded to the apple pie and the home cooking way of life that was supposed to cover western Canada during the Diefenbaker era. In fact, Mr. Speaker, he stated, and I quote:

Mr. Diefenbaker in his own way, in his own unique way, painted a dream for

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the future of this country and for the future of western Canada and the North.

That was unique indeed, Mr. Speaker. If that particular era had continued, we could have seen the eventual loss of the crow rates, the abandonment of thousands of miles of rails, and the farmers of Saskatchewan forced to pay unrealistically high shipping rates a decade ago.

Mr. Speaker, I refer directly to the MacPherson Royal Commission on transportation report of '71. The members opposite seem to be rather sensitive about the MacPherson Commission. This Commission was commissioned by the Diefenbaker Tories; a report that could have become federal law had that era continued.

Now, Mr. Speaker, I would like to outline just briefly a few of the recommendations set forth by Justice M.A. MacPherson and I quote from his report, Mr. Speaker, and it says here, quote:

The immediate need is to release the railways from the burden of uneconomic lines.

Now I ask, Mr. Speaker, does that sound like rail line retention? Further, Mr. Speaker, it goes on to say:

In the free enterprise environment, it cannot be expected that the costs of transportation should not normally be borne by others than the users.

I ask again, Mr. Speaker, does that sound like supporting and maintaining the crow rates?

Now, Mr. Speaker, I could go on and on, quoting from the MacPherson report but rather I would suggest to the member for Kindersley (Mr. Andrew), all members opposite, to read that report and to see for themselves how fortunate we are on the prairies that the federal Conservatives were ousted before they could accelerate that Tory report into federal legislation. I have no doubt, Mr. Speaker, that when the next federal election rolls around the people of Saskatchewan will remember who inflicted the PRAC (Prairie Rail Action Committee) report on them and will deal with those people accordingly.

There's a great deal more I would like to say, Mr. Speaker, on the issues of grain transportation and rail line abandonment and orderly marketing for grain, the issues that are of extreme importance to the well-being of the agricultural industry. In the interests of time I will refrain from doing so now but I want to assure you that I will be taking part in the debates on the resolutions pertaining to these very important issues at the appropriate time.

Mr. Speaker, there is a great deal in this budget to benefit rural Saskatchewan. There's a fuel cost reduction program at \$16 million. There's a commitment for research and agriculture at \$3.25 million. There's revenue sharing, an additional \$6 million for rurals and \$10 million for urbans. Much of that is going to benefit rural Saskatchewan.

There's going to be an extension of a rural Saskatchewan Housing Corporation program to farm owners, something they've waited for, for some time. The removal of the provincial share of capital gains tax on farms and small businesses — no small significant move there. Senior citizens property tax rebate — there are 8,000 farmers

who are expected to benefit from this and there are many more retired farmers in our small urban centres who will benefit. And then there's a commitment to a crow rate package of \$3 million.

These are valuable new programs for rural Saskatchewan, besides the many valuable new programs which are common to all Saskatchewan residents. These are programs which reflect the serious dedication of this government to maintaining a strong rural structure in this province. I am pleased therefore, Mr. Speaker, to let you know that I will be lending my full support to the budget as outlined by the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

MR. B.M. DYCK (Saskatoon Mayfair): — Mr. Speaker, I want to, first of all, avail myself of the opportunity to congratulate all the new members to this legislature with specific reference to the members on this side of the House. I would like to also congratulate the Minister of Finance (Mr. Smishek) for the budget that he brought down last week. It is another in a series of good budgets for the province of Saskatchewan. It is a budget that demonstrates fiscal responsibility similar to the previous seven other budgets that have been brought down since 1971. It is a budget that is responsible in a fiscal way unlike many budgets brought down by other provincial jurisdictions across Canada. The province of Ontario, for example, is running deficits at a very high rate indeed. As a matter of fact, Ontario has presented seven straight budget deficits.

AN HON. MEMBER: — Who is the government in Ontario?

MR. DYCK: — It is a Tory government in Ontario. The budget for this fiscal year calls for a deficit of almost \$2 billion, Mr. Speaker. That is more than equal to the entire budget of the government of Saskatchewan.

It surprises me when affluent and wealthy Ontario has to run budget deficits of the size that they have been running in recent years, and it particularly surprises me when the Conservatives talk so frequently and allude so often to their great fiscal responsibility.

As a result of our resource tax policies in Saskatchewan, these huge budget deficits are not necessary; they are not required. While at the same time, our grants to other jurisdictions within the province have increased substantially. The municipal grant to the city of Saskatoon, for example, went up this year alone 34 per cent, and the city of Saskatoon is experiencing that delightful problem they had last year. They are facing that problem of how to spend their money. I quote from the Star Phoenix, yesterday's edition, which describes some of city council's deliberations about their own budget for the city of Saskatoon:

Council members realize the possibility that they could be in the position of not having to increase property taxes to cover the city's operating costs in 1979, therefore consideration was given to what could be done with funds left over, once a zero increase point has been reached.

Alderman, Henry Dayday suggested council might want to somehow establish a reserve pool fund to carry the city through the years when it will not have the benefit of a 34 per cent increase in grants from the province.

Last year they had some difficulty spending \$300,000, and again this year they are having that same delightful problem.

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I think, certainly, the resource policy that we have pursued in recent years is paying big dividends to the people of this province — big dividends in the form of lower taxes, big dividends in the form of solid programs to help people.

Mr. Speaker, when I spoke in this legislature for the first time after the 1975 election, I welcomed seven new Conservative members at that time. I welcomed them in 1975 and I am very delighted to see some of them back again. I said that I wished to see them back again and I wished to see them back a little weak and a little run down but I wanted to see them back. Sure enough, there they are back in this legislature, a little weak and a little run down, but there they are, definitely. Mr. Speaker, they are here definitely, physically, and the reason I know this is because I can see them across the floor. I find that reassuring because if I couldn't see them physically, I would have some doubts as to whether or not they were, in fact, in this building.

I have often said the Conservatives serve one very much needed purpose in the political arena of this province and that is to make the Liberals look almost palatable and I emphasize the words, 'almost', palatable because certainly, the history of the Liberal governments of this province hasn't been one that anyone would use as any lofty goal or measuring stick of success. One need only go back to the long, lone, lean and hungry years of Ross Thatcher. But nevertheless the failures of the Liberal Party over the years have only been surpassed by the failures of the Conservative Party when they were in office, only the one time, from 1929 to 1934. I have no reason in the world to believe that there has been any improvement in that party since then.

Mr. Speaker, as a result of the resource policy of this government we have seen a rapid expansion in the cities of Saskatchewan, particularly the city of Saskatoon. It is expanding at a rapid rate and the city economy is very buoyant. With the large number of people entering the city there has been a real pressure for industrial property and even more particularly a real pressure for residential lots.

If you look at the price of housing in the cities of Calgary and Edmonton, Alberta, you will find that the price of homes has gone up very dramatically, in the last five years particularly. In many instances, the price of homes in these two major cities is way out of reach for many of the classifications of people in those cities. Really what has happened in those two cities is very tragic, very tragic for many people who want to own their own home. The land assembly is controlled by a few private developers. By controlling the land in the areas around the cities and by controlling the number of houses that come on the market each year, the developers have been able to make exorbitant profits. The costs of homes in those cities is anywhere from 25 per cent to 40 per cent higher than the cities of Saskatoon or Regina.

Let me quote, Mr. Speaker, some statistics from the Financial Post, statistics from the Canadian Real Estate Association: prices of homes, for example, last year in the city of Calgary averaged \$66,428, in the city of Toronto — \$64,000, (Calgary is even higher than Toronto), Saskatoon — \$43,900 — a tremendous difference in prices between the two cities. Certainly, Mr. Speaker, one would not be able to argue that the costs of production are that much higher in building a home in Calgary or Edmonton than they are in Saskatoon or Regina. In fact, the house costs in the cities of Calgary and Edmonton are indeed the highest all across Canada right now. No, Mr. Speaker, the answer lies elsewhere. The answer lies in a very prohibitive type of profits being made by present developers in those areas.

I want to suggest, Mr. Speaker, a very major policy that could assist in even reducing the costs of homes in Saskatchewan cities. I think our government along with SUMA (Saskatchewan Urban Municipality Association) and SARM (Saskatchewan Association of Rural Municipalities) should give serious consideration to zoning all land in the province around urban areas as agricultural land. This land would be zoned agricultural and if the public need of certain properties or certain lands around the cities became necessary and more important than the private ownership, then the purchase price of this property should be related to some large extent to the agricultural value.

I want to reiterate and emphasize that in any expropriation procedure or any negotiation procedure carried on by the city, for example of Saskatoon, to acquire property for the development of residential lots, that the owner should be fairly and reasonably compensated. In the case where there is negotiation or expropriation for land around the city of Saskatoon, the owner of such land, who would perhaps be forced to move or have his farm unit impaired or interfered with, should be compensated way and above the agricultural value. For example — and this is a very arbitrary sort of figure — he could be compensated as high as double the agricultural value because of a number of reasons: sentimental value attached to a certain farm, the upset of a farming operation or whatever. At the moment, however, Mr. Speaker, the cost of land around the city of Saskatoon is extremely high and the owners of land around the city have made windfall profits . . .

AN HON. MEMBER: — You did too!

MR. DYCK: — . . . didn't do too bad . . . not even closely related to the agricultural value. The same farmers living further away from the city do not enjoy windfall profits when they dispose of their property. But in addition to reduced prices for raw land, I would like to see the city of Saskatoon, perhaps coupled with the province of Saskatchewan, provide a larger bank of serviced property at all times. If there was at all times an inventory of readily available lots, serviced lots, in the city of Saskatoon then an individual could go down to City Hall and acquire a property of his own. The individual should be able to do this without a long waiting period, without placing his name in a draw or without parking outside of City Hall all night. Having acquired a certain property with a reasonable choice of say 300 or 500 lots in the city at any given time, he would then have the opportunity to pursue a number of avenues. He could either build a house for himself or he could engage a small contractor or he could hire a large contractor or he could have the house built by handling his own sub-trades and act as a general contractor. If the individual person had, at all times, these lots available to him and he built his home in one of the ways mentioned, then certainly, this would lead to competition in the industry and lower prices for all. Prices for housing will not go way out-of-reach if this policy is pursued as it has been in certain cities in Alberta. I think that this would be a most important program to ensure lower cost housing, particularly for young families. Legislation and financing at the provincial level is already in place. The onus is on all urban areas to ensure that this inventory of serviced lots is always available to the public.

I want to say, Mr. Speaker, that as one member of this legislature, I will be working to see if we cannot ensure now and in the long-term future, that we have a land banking policy to guarantee a reasonable price for a very important need for any family; namely a roof over their heads and stop the rip off presently taking place by developers in most major Canadian cities. Of course, along with this Mr. Speaker, there would have to be a

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reduction of interest rates for people buying homes.

I would like to turn, Mr. Speaker, to a matter of the Canadian economy. While the province of Saskatchewan has one of the lowest unemployment rates in Canada, while the economy is buoyant and while, as I have mentioned earlier, we have a responsible government this is not the case in Canada as a whole.

For 112 years now, we have had a series of Liberal and Tory governments. And what is our situation after these long 112 years?

Our country, Mr. Speaker, is in an economic mess. Inflation continues each year at a very high and unprecedented rate, eroding the savings of many people particularly many of our senior people. Unemployment is extremely high particularly in some of the Conservative maritime provinces, Mr. Speaker. Our national debt is somewhere over \$60 billion and 16 cents of every taxpayer's dollar goes to service the national debt alone.

What Mr. Broadbent, the Leader of the New Democratic Party has been saying for months and what the New Democratic Party has been saying for years, and what Canada so desperately needs at this time is an economic strategy for this country. We are a country, as we all well know, with vast resources, large geographical areas of land and a small population of about 23 million people. Yet we have unemployment at a rate that is completely unacceptable and much worse than most western European countries.

One of the things that has had such a devastating effect on our senior people, particularly, the ones who saved their money for their retirement years, is inflation, the cost of living. There are reasons why we have inflation at the rate we do, with prices rising year after year after year. One of the reasons is the enormous profits of the multinational firms operating in Canada who are operating in an oligopoly type economy and who can place virtually any price tag on the goods or services that they sell.

I have here, Mr. Speaker, a press release from the Centre for the Study of Inflation and Productivity dated February 6, 1979, dateline Ottawa. The information they have provided could be too much for the present government, so I understand that that organization has just recently been disbanded. But I do want to quote from some of their news releases.

A substantial increase in the profits of Canada's non-financial corporations was reviewed by the Centre for the Study of Inflation and Productivity. At \$9.3 billion for the first nine months of 1978, these profits were 21 per cent above the same period a year earlier — a much higher rate than recent salary and wage settlements. Total value of sales, in this period, rose only 11 per cent, indicating that profit margins had increased substantially.

Mr. Speaker, it is quite apparent that profits are running well ahead of sales and, therefore, the mark ups must be increasing. Mr. Speaker, the press release goes on to say, and I quote

The marked profit increases in retailing are especially noteworthy, giving the visibility of that sector in consumer prices. The total profits at large department stores advanced by 87 per cent; those of motor vehicle dealers,

42 per cent; (Listen to this. Listen to this!) food stores by 42 per cent.

The cost of food as the consumers of Canada well know has risen dramatically in recent months and this particular news release indicates that certainly the food stores are enjoying this price increase because it affords them much larger profits.

May I go on to quote from the news release:

Particularly large profit increases occur in a number of manufacturing groups — wood products 87 per cent, primary metals 47 per cent, electrical products 44 per cent, but food and beverage manufacturers at least 20 per cent. Last year, Zellers Company alone, a large retail establishment, had profits of \$14.1 million, an increase of 54 per cent.

Mr. Speaker, I think I have demonstrated quite clearly, one of the major reasons for the large increases in the prices to the consumer. One of the main reasons for these high prices is due to extensively high profit margins. There are other reasons why the cost to the consumer is higher. You know, conventional wisdom has it that the so-called corporate enterprise system is an efficient system — this is conventional wisdom. It is efficient, allegedly, in many areas — production, distribution, financing and so on. I want to suggest to you, Mr. Speaker, that in fact, there are many inefficiencies in the private, corporate, free enterprise system that we know so well in North America.

Let me give you some examples in terms of inefficiencies in the distribution system of goods and services. In 1951, the average supermarket in Canada was around 4,500 square feet. By the 1960s the standard store was around 20,000 square feet. The size of the store increased to accommodate the proliferation of food and non-food items in the store. At the end of World War II, the large retail food stores carried about 4,000 items. By the mid-1970s the average urban supermarket carried between 8,000 and 10,000 items. In 1975, National Grocers, one of the western empire's large wholesalers, announced that it was going to reduce the number of items on its inventory from 27,000 to 16,000.

Now, it is readily apparent, Mr. Speaker, that only a large operation has the economic power to engage in this form of large scale marketing. As a result, we have seen the growth of the large scale retail chains, to the detriment of the smaller retailer. The result is less competition in the industry and further to that of course, higher profits result

AN HON. MEMBER: — The rich become richer.

MR. DYCK: — The food industry in Canada today is dominated in fact, by five major corporate chains — the empire created by George Weston, Dominion Stores, Canada Safeway and those firms operating more or less in eastern Canada, Steinbergs and A & P of Canada. In addition to these of course, there are a number of voluntary chains, the largest one being IGA Canada Limited, which is in fact, controlled by two large wholesalers, M. Loeb and the Oshawa group.

These corporate giants have steadily increased their share of the food market, from 32.2 per cent in 1951 to 60 per cent in 1975. The share of the market held by the smaller, unaffiliated stores has fallen from 63 per cent in 1951 to 14 per cent in 1975. Mr. Speaker, wherever a large chain store or supermarket is opened, any existing small grocery stores in the area are either forced out of business, or must at least reduce their operation in terms of sales. So I suggest to you that the clear trend in Canada is towards

greater and greater market concentration by the corporate chains, and the highest degree of retail market concentration is right here on the prairies. Canada Safeway alone has around 50 per cent of the total food sales in this province. These large institutions have a tremendous advantage over their competitors through the market power which comes from vertical integration backed through wholesaling to manufacturing of food, and even primary production in some cases.

So in conclusion, Mr. Speaker, first of all there is no competition in the industry and, as a result, corporations are able to write virtually their own price tag and in that way enjoy high profit margins but, in addition, there are still other reasons. The other reasons include the very inefficiency of the distribution system. For example, it was found in a private study that retail firms on the prairies have almost twice the amount of floor space to service the same populations. For example, an area in the United States would require about half the floor space as the same sort of population would use in Saskatchewan. Using the American average as a base, the private study concluded that there is twice as many stores in the prairies as the population required and this was costing the consumer an additional 4 per cent per year on their grocery bill alone. This refers, Mr. Speaker, only to the extra cost because of extra space requirements. It does not refer to all the extra costs as a result of fancy and advertising, packaging merchandising, and so on. I could refer here, Mr. Speaker, to the pharmaceutical industry, for example, which has a . . . (inaudible interjection) . . . preponderance of its costs in the advertising area.

But in the final analysis, Mr. Speaker, we know that there is a tremendous mark-up between the price of food at the farm gate and the retail store. Profits in relation to sale appear to be low and yet the food industries and the food retailing firms are doing quite well. The consumer is paying not only for the profits but for the inefficient methods distribution.

In summary, Mr. Speaker, the matter of inflation particularly could be solved if some action was taken at the federal level. If we had public control of land assembly around our cities, and there were more smaller contractors in the house construction industry across this country, then people on low incomes could afford to buy homes. If we had effective competition in the retailing of food and clothing across this country, there would be lower profit margins, greater efficiency and lower prices to the consumer. There were fewer supermarkets, with all that expensive floor space, then food prices would be lower. If, Mr. Speaker, we had fewer people in Canada selling, merchandising, advertising, packaging, all of which the consumer ultimately has to pay for, if we had fewer of these people creating unnecessary wants and needs, in our society there would certainly be lower prices to the consumer.

If for example, the automobile industry would discontinue its mindless, completely mindless, annual change in the style of automobiles (providing four and five different models in each different range, so many different sizes and shapes of cars) if it would stop redesigning its cars every year, which necessitates the maintenance of inventory of parts for all these different sizes and models across the whole continent which necessitates the retooling of entire factories, providing new moulds, new materials ad infinitum — Mr. Speaker, if the automobile industry did this, then we would have lower transportation costs to the consumer, not to speak of lower insurance rate that would result by not having to repair these fancy and automobiles that we have running around the country these days. Surely, Mr. Speaker, when we can put a man on the moon, then surely we should be able to design an automobile that will go more than 15 miles to the gallon. Of course, Mr. Speaker, if that happened, the oil companies

would be unhappy. If, Mr. Speaker, the financial institutions pared the enormous profits that they have been making in recent years and modernized their internal operations and made them more efficient, then certainly the consumer would be in a position to borrow funds at lower rates of interest.

Now, when you wrap all of this together, if we had a government in Canada that had some courage, that had some will and desire to look to some of the solutions that I've mentioned to this devastating ill that's called inflation, then I'm sure that they would find some of those solutions. But I regret to say that after 112 years of Tory government and Liberal government and then Tory government and then Liberal government, we have not succeeded in solving some of the real, fundamental, economic problems of our country. Because we have not found solutions to these fundamental economic problems, people are being hurt. Older people are being hurt because their savings are being eroded. Younger people are being hurt because they cannot derive the earning capacity to purchase those things that they need. The unemployed are being hurt when they try for months to find a job and cannot find a job and I have said before and I will say it again, that it is completely immoral to have a situation where a person wants to work but can't find a job. That situation, Mr. Speaker, is immoral and should not be tolerated.

Mr. Speaker, I would like to concentrate on another major topic in this speech. I would like to discuss the matter of the Indian people and the problems they face, particularly in our urban areas. In recent years, we have seen a large number of Indian people move to our urban areas in this province. I think this is a development which is taking place all across Canada, to a lesser or to a greater degree. Our Indian people are suffering a great deal in our cities. They are suffering from a lack of jobs, they suffer from a lack of skills to compete in the job market, they suffer from poor housing and they suffer from discrimination. Now, there's no doubt these areas of concern that I have mentioned apply to all people, but certainly by far and away, there are a much larger percentage of Indian people and Metis people in these problem categories that I have described. I want to emphasize at the outset that there is no simple solution to the matter to the solving of these problems. There is no simple solution and in fact, the problem will not be solved overnight. It is a longer-term solution that is required and a long term solution is one that we must seek. In my view, Mr. Speaker, one of the prerequisites, the most fundamental and essential prerequisite to providing a better way of life for our Indian people and Metis people across this province and particularly in our cities, is a better understanding on the part of the white population. As I travel around the country and the province, I hear white people talking about Indians and they say they drink too much, oh they don't want to work, or when they have a house they burn it down. Everywhere I go I hear these accusations at one time or another. These accusations are detrimental and harmful not only to the Indian and Metis people, but they are harmful to all of us, Mr. Speaker. I consider these comments and statements to be a result of a lack understanding of the native person, as an individual and as a group.

Just for a moment, Mr. Speaker, imagine what would happen to the white people if suddenly someone came along and took away our way of life, took away our language, our religion, our lifestyle, took away our value system and finally, put us on certain geographical pieces of land and said that we would have to remain on those geographical areas. I say, Mr. Speaker, if that was ever done to white people, if suddenly overnight we were conquered, vanquished, what would be our reaction? I think we would respond in a way that would shock most of us. Through a process like that we would lose a lot of our dignity, we would lose our self-respect and we would in act in such a way that most of us would be abhorred. Well that's exactly what Christian white people did to the Indian. We came out to North America a few hundred

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years ago and over a period of time we did to the Indian people what I believe was very disgusting and verging on the barbaric. We took away their way of life, their way hunting, fishing and trapping. We took away their religion. We took away the language. We put them on reservations. We did all these things to the Indian people and then we said, you pursue our way of life and your problems will be solved.

Well, Mr. Speaker, after you receive a cultural shock as the native people have done as a result of the devastating change of their lifestyle brought about by white people, it was not that easy to pursue another way of life. Another way of life was with different values, different work ethics, different religion, different language, different everything. And so I say, while we white Christians took over this great continent with all its resources, and after we exploited it and developed it to our own advantage, I say that we owe the Indian people a great debt.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK: — After all we are living in their country. If we try to understand the fact that Indian people for some 6,000 to 8,000 years lived a certain way here by hunting and, fishing and soon — if they had lived for that long in one way and suddenly were asked to change so dramatically then it becomes a very serious problem indeed. And so I say we should approach the Indian problem with a much greater understanding because all they want is a fair deal. They don't want charity, they want justice.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK: — They want to have the right to hold up their heads and be proud and have that same self-respect that they had before we white Christians arrived.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK: — And so we need to concentrate on this important area in the years ahead, and certainly some real responsibility lies with the Indians themselves. You cannot help someone who will not help themselves. But equally certain the main responsibility lies with the white people.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK: — And the first step is a matter of trying to understand why Indian people do what they do, because they do have their reasons. We need in our cities to ensure that Indian and Metis people alike develop job skills. In that context it is necessary that the training and plant facilities be made available so that these job skills can, in fact, be developed.

We need to assist in creating jobs. This is a real challenge because Canada, as a whole, has 8 per cent to 9 per cent or 10 per cent to 12 per cent unemployment depending on where you are. But jobs need to be made available for Indian people, jobs with a challenge, jobs with a potential for advancement and so on — the same kinds of jobs, Mr. Speaker, the same kinds of jobs that white people want.

SOME HON. MEMBERS: Hear, hear!

MR. DYCK: — And, Mr. Speaker, finally we need to provide the means whereby Indian people can acquire better housing for themselves. Some of the places where some of

our Indian and Metis people live are deplorable. Certainly in an affluent society as we live in, in Canada, it is immoral to have situations where some people live in very expensive residences and other people live in nothing less than hovels.

I say, Mr. Speaker, this is a major challenge of this government and the people of Saskatchewan — a major challenge to take the first step to solving the problems faced by the Indian and Metis people, particularly in our urban areas. But I want to warn you, Mr. Speaker, that these people are running out of patience. They are saying they want an opportunity and should we not respond at this time, the consequences will be very painful indeed.

While it is a challenge and a responsibility for the white people, there are obligations on the Indian. Indians have an obligation to develop capable and reliable leadership. They have the obligation to work with their people to formulate programs and objectives to put before various governments and, along with governments, to ensure that these programs and objectives are carried out. Indian people must retain their own identity, culture and heritage just as such other peoples of other ethnic origins have done. But without compromising their heritage, they have an obligation, however, to work within the present societal situation to achieve their economic and social goals.

While I am saying this, I know there is a commitment from the Premier of this province and this cabinet to assist and to try to arrive at some solution. The record bears this out. If you go to northern Saskatchewan and ask the people there how things are there today, they will say that in northern Saskatchewan things are better today. There are more people working and fewer people unemployed. People in northern Saskatchewan are living in better homes. People in the North have water and sewage services in their communities where they didn't have them before. People in the North have better schools, better health care facilities, and better roads. People in the North are developing self-government and are beginning to run their own affairs. It has been some struggle but certainly, there has 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.

Mr. Speaker, can I call it 5 o'clock?

The Assembly adjourned from 5 until 7 p.m.