

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 15, 1979

The Assembly met at 2 p.m.

On the Orders of the Day

INTRODUCTION OF GUESTS

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, I would like to introduce to you and to all members of the House, four people who are visiting this Chamber in association with the Uniroyal World Junior Curling Championship now under way at Moose Jaw. We have two visitors from Scotland, one from Toronto, and one of the hosts from Moose Jaw. Visiting with us from Scotland are Mr. Morris Marshall, managing director of the Aviemore Centre in Aviemore Inverness-shire. Aviemore was the community where the 1976 Uniroyal Championship was held. Also visiting us from Scotland is Mr. Ivan Robson from Edinborough who is the assistant general manager of the Bank of Scotland and the Bank of Scotland is the sponsor of the junior curling championships in Scotland. With them is Mr. Willis L. Blair of Toronto who is a member of the Ontario Municipal Board and former mayor of East York, where the world junior championship began. Hosting them from Moose Jaw is Mr. Duncan Cameron, the president of the Moose Jaw Chamber of Commerce. The four are sitting in the gallery. I would ask them to stand and we would greet them as our visitors.

HON. MEMBERS: — Hear, hear!

WELCOME TO STUDENTS

MRS. J. DUNCAN (Maple Creek): — Mr. Speaker, it is my pleasure to introduce to you, and through you to this Assembly, a group of approximately 50 Grade 11 and 12 students sitting in the East gallery. They have travelled approximately 200 miles this morning from Gull Lake to join with us in these proceedings, and I'm sure that all the members of this Assembly will join with me in welcoming them, hoping they have a pleasant day in Regina, and wishing them a safe journey home.

HON. MEMBERS: — Hear, hear!

MR. R. J. GROSS (Morse): — Mr. Speaker, I would like to introduce to you and to members of this Assembly six ladies representing the Women's Institute. The Women's Institute is from that great town that everybody in this Assembly is quite aware of, Glenbain, my home town, and they are representing the Women's Institute in the Speaker's gallery. You can see the ladies up there if they'll stand later. The House is I am sure quite prepared and happy to welcome them here and wish them a pleasant and educational stay while they're here.

HON. MEMBERS: — Hear, hear!

MR. R. PICKERING (Bengough-Milestone): — Mr. Speaker, I would like to introduce to you and through you to the members of this Assembly, 50 students in the West gallery from Radville Gladmar schools. They are accompanied by Mr. Jim MacIntosh, Director of Education, Mrs. Webster and bus driver Mr. Howland. From Gladmar they are accompanied by Mr. Boen, Mrs. Blackmore and bus driver, Mr. Hoffert. I would like all members to join with me in wishing them not only an enjoyable afternoon but,

hopefully they find it educational.

HON. MEMBERS: — Hear, hear!

MR. R. KATZMAN (Rosthern): — Mr. Speaker, I'd like to introduce to you and the Assembly, a group of 48 students from Rosthern High School. They're here in the Speaker's gallery. They've travelled a few miles this morning to be with us. I hope they enjoy the proceedings and wish you to help me welcome them.

HON. MEMBERS: — Hear, hear!

HON. G. MacMURCHY (Minister of Municipal Affairs): — It is my pleasure to introduce to you and to the Assembly Mr. Barry Kator, teacher at the Lestock High School, and the Grade 12 class. I'm sure we all welcome them here and we hope their stay is a very worthwhile one.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Hiring of Candidates Defeated in Alberta Election

MR. R. L. COLLVER (Leader of the Opposition): — Mr. Speaker, my question is to the Premier. Knowing your government's penchant for hiring defeated NDP candidates and in the light of your hiring of the former president of the NDP in Alberta, has your government made any commitments to hire any defeated candidates from yesterday's Alberta general election, and if so . . .

MR. SPEAKER: — I'll take the next question.

MR. R. L. COLLVER: — If it is your government's commitment to hire any of these defeated Alberta election candidates, and since there was so many, what additional debt burden will this place on the Saskatchewan taxpayer?

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, It is very, very true that there are a large number of defeated candidates in Alberta — excellent candidates many of them were.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — We are not the only party that suffers defeated candidates from time to time. We acknowledge the thrust of the hon. member's question. The election in Alberta was a great victory for the Progressive Conservative Party. I intend to convey my congratulations to Premier Lougheed. I assure the hon. member that we have no intention of under-taking any mass hirings at the moment.

SOME HON. MEMBERS: — Hear, hear!

Transfer of Moneys from Heritage Fund

MR. COLLVER: — Thank you, Mr. Speaker. Mr. Premier, I'm glad you're congratulating the Alberta Premier and the Alberta government and one hopes that the phrases "oil-rich Alberta" and "those awful Conservatives from Alberta" will now be removed from the Saskatchewan scene.

In light of the Premier's comments yesterday about the heritage fund in the province of Saskatchewan, would the Premier agree that other than the SMDC (Saskatchewan Mining Development Corporation) investment, the potash company investment, the Sask Power special investment and the special investment account of \$36 million which has been in existence since the 1930s, that the balance of the Saskatchewan Heritage Fund as of March 31, 1979 was approximately \$10 million.

MR. BLAKENEY: — Other than investments in the Potash Corporation of Saskatchewan, frankly, the figure sounds reasonable but I don't have the balance sheet in front of me and therefore I can't tell you whether the figure is accurate or not.

MR. R. L. COLLVER (Leader of the Opposition): — Mr. Speaker, just to edify the Premier, you will recall that \$75 million in cash was transferred to the heritage fund as of March 31, 1978, which moneys were allocated or sent immediately over to the Potash Corporation of Saskatchewan, so that left a zero balance. According to the Premier now, there was \$52 million that was supposedly in surplus last year from 1978 — '79 of which some \$42 million was allocated in the supplementary estimates. Would the Premier, now, given those figures from his very own budget, confirm that \$10 million approximately is the balance of the heritage fund, other than those investments that have been the subject of great debate in this Assembly — the Potash Corporation and the Saskatchewan Mining Development Corporation?

MR. BLAKENEY: — Mr. Speaker, I don't want to be difficult and I don't deny the hon. member's figures. I am just not in a position to confirm them.

MR. COLLVER: — A supplementary question, Mr. Speaker. Obviously, the Premier is aware that that is approximately correct. He has given that indication at any rate. Perhaps I had better go to the Premier and ask, is it in the order of \$10 million or is it in the order of \$50 million?

MR. BLAKENEY: — Mr. Speaker, I am sorry, but I will have to have the financial statements before me before I comment on the balance which is outstanding in the fund at any given date. The funds in and the funds out are very significant. It will be known that money moves out to the Potash Corporation, both as equity and as loans. I am not sure what the assets will be if we deduct holdings in the Mining Development Corporation and the Potash Corporation and other holdings. I simply do not know the figures.

MR. COLLVER: — A new question, then, Mr. Speaker. Is the Premier aware that in the province of Alberta, as of March 31, 1979, \$4.7 billion was in their heritage fund of which \$2.3 billion was in cash and short-term investments, roughly 50 per cent of their investment fund? Mr. Speaker, if you prefer, I will ask the question in advance. Why is the Government of Saskatchewan only allocating some \$10 million out of its, approximately \$700 million worth of heritage fund, to short-term investments for the long term, where the province of Alberta is able to allocate and does allocate 50 per cent of its heritage fund, in other words, \$2.3 billion, as opposed to the \$10 million in the province of Saskatchewan?

MR. BLAKENEY: — Mr. Speaker, I will not comment on what our fiscal policy would be or what our management policy would be if we had \$4 billion which we do not have. But we have in the order of \$700 million and in our judgement it is far better to take money coming from a depleting resource, like conventional oil where we get the bulk of the money, and use it to invest in other resources which will have a long-term life such as heavy oil, potash and uranium. We think it unwise to keep any substantial part of our heritage fund in treasury bills or other short-term holdings if we have opportunities to invest them in resource projects of long-term value. Accordingly, we think it unwise to hold half of our \$700 million in short-terms and we think it wise to invest it in potash, uranium and heavy oil, which 40 years from now we expect to be a good deal more valuable than would the short-term securities.

SOME HON. MEMBERS: — Hear, hear!

Confrontation with Doctors during Negotiations

MR. E. A. BERNTSON (Souris-Cannington): — Mr. Speaker, a question to the Minister of Health. It seems more and more apparent every day that the words of the member for Saskatoon Centre (Mr. Mostoway) were in fact true when he said that there are clearly two camps in the medical dispute in Saskatchewan — the doctors on one side, the government on the other. First, we have one of your hacks, Mr. Dishaw, writing letters to the editor raking the doctors over the coals; then we have Dr. Penman, director of MCIC (Medical Care Insurance Commission) raking the doctors over the coals. More recently, we have two letters . . .

MR. SPEAKER: — Order. Does the member have a question?

MR. BERNTSON: — The question, Mr. Speaker. These two letters, Mr. Speaker, are authored by people without a lot of original thought. As a matter of fact, they're identical word for word. One appears with a picture of Dennis Banda (Redberry), one with a picture of Dwayne Lingenfelter (Shaunavon). The question, Mr. Speaker, is what possible long-term advantage do the people of Saskatchewan have by your continued confrontation with the medical profession during these delicate negotiations?

SOME HON. MEMBERS: — Hear, hear!

HON. E. L. TCHORZEWSKI (Minister of Health): — Mr. Speaker, I have not had an opportunity to see the letters the member speaks of, but I certainly think it's the right of any member of this legislature to take a position of any issue as he sees fit as a representative of this constituency. It would be far for me to be interfering with that particular process.

Mr. Speaker, the negotiations between the Saskatchewan Medical Association and the Medical Care Insurance Commission are in mediation, as the member opposite very well knows. That mediation is ongoing and as I said yesterday, in my remarks on the budget speech, I'm hopeful that it will arrive at a mutually agreed upon and satisfactory settlement and we will once again have the kind of situation that existed before the negotiations began.

MR. BERNTSON: — Mr. Speaker, supplementary. In order that these negotiations can come to a mutually agreeable solution, would you indicate to this House whether you are prepared to muzzle your hacks and your backbench MLAs so that these negotiations can come to a conclusion?

MR. SPEAKER: — I will take a new question.

Recommendation of the Nikiforuk Inquiry

MR. G. MUIRHEAD (Arm River): — Mr. Speaker, a question to the Minister of the Environment. Is the minister aware that the Sask Power Corporation, one week ago, completed cutting a centre line for a power transmission being built between Squaw Rapids and the Manitoba border, contrary to and in violation of the specific recommendation of the Nikiforuk inquiry which held hearings in this regard?

HON. G. R. BOWERMAN (Minister of the Environment): — Mr. Speaker, the answer to the question is no. I am not aware of it.

MR. COLLVER: — Supplementary question. Mr. Speaker, if the minister is not aware of it, why then did his acting deputy minister in the North inform the Federation of Saskatchewan Indians and Chief Alvin Head of the Red Earth Indian Band, that the Department of the Environment has in fact given approval as of two days ago to the Saskatchewan Power Corporation to take an environmentally unsound route?

MR. BOWERMAN: — Mr. Speaker, obviously the member for Nipawin (Mr. Collver) has his information incorrect (as is frequently the case in this House). I don't know from what source he gathers his information, but I can tell him that there was no approval issued by the department two days ago. There was an approval issued some two weeks ago, but certainly not within the last two days. I don't know where he is drawing his information from, but the basis of the information, on the question which he asks, bears no resemblance to the facts as I know them.

MR. COLLVER: — Mr. Speaker, I have here a letter from the Federation of Saskatchewan Indians, outlining in some detail the negotiations and discussions that went on between the Department of the Environment officials and Professor Nikiforuk. His recommendations stated specifically that a modified route should be approved by the Department of the Environment in watching over Sask Power and that departmental officials should be there to monitor where Sask Power is going and that the Indians should be consulted; none of which happened.

In this letter, is the minister aware that his acting deputy minister admits that none of the staff has been on site to approve the final route location, as their responsibility was in the original approval given by the minister on February 16, 1979? The federation further reports that as of two days ago the acting deputy minister informed these people that Sask Power had been given approval for this centre line cut that is in the environmentally not approved area because they couldn't get anchors in there. Is he aware that Sask Power has reported to him that they can't get anchors for this line and, therefore, have been given permission to go with the original route?

MR. BOWERMAN: — Mr. Speaker, I don't know what it is in the emotions of the member for Nipawin that causes him to shout in the legislature. We have a loudspeaker system and I'm sitting not very far from you and my hearing has not been impaired.

Obviously the member for Nipawin has, again I say, his facts considerably mixed up. I don't know the letter from which he's quoting. He says he's quoting from a letter that's

been directed from the Federation of Saskatchewan Indians. I don't know whether that's true or not.

Secondly, I heard him say that the letter indicates that I'd given the approval on February 16 and he said in his first question that I'd given it two days ago. I don't know the complexity of the mind of the member for Nipawin, but let me suggest to you that after the public hearings of Professor Nikiforuk there was a report tabled with the Minister of Environment and the decisions were based on those recommendations.

There was an addendum in the approval granted that, providing the Saskatchewan Power Corporation was unable, because of equipment or material supply, to go the modified E-route as recommended by Mr. Nikiforuk, they would be permitted to go the E-route. I have subsequently had communications from the department and from the Minister of the Saskatchewan Power Corporation (Mr. Messer) indicated that the material supply was not available in order that they could get the work done. We have requested from the Saskatchewan Power Corporation, a verification of that non-material supply. When that has been verified then route E will be proceeded with as has been recommended in the February 16 letter.

MR. COLLVER: — A new question then, Mr. Speaker. Since the minister just said Route E would be proceeded with and since it was Nikiforuk's recommendation that modified route E, which means on the other side of the channel which prevents environmental damage to a certain extent, would the minister not agree that since Nikiforuk listened to the Indians and presented to the minister of recommendations, the minister gave that approval, and prior to that approval being granted finally Saskatchewan Power went ahead and did their centre-line cut for this line in the route originally proposed by Sask Power which the Indians objected to. Would the minister agree that he is not complying in any way with Nikiforuk's regulations?

MR. BOWERMAN: — Well, Mr. Speaker, again I must say I don't know where the member for Nipawin gets his information and I can only say to you that the records are clear. The Nikiforuk Report has been tabled and we have given approval for Sask Power Corporation to proceed on modified route E providing that the Sask Power Corporation can offer evidence that they are unable to get material supply in order for them to complete the line by 1979-80, that we would give approval for them to build their line on Route E.

MR. MUIRHEAD: — Supplementary, Mr. Speaker. We definitely have on our hands this letter from the Federation of Indians and I want to ask a question. Why hold these hearings, agree to recommendations and then allow the Sask Power to do the worst possible environmental damage? Are the so-called hearings just a sham when the government Crown corporations are involved?

Universities — Lack of Funds

MR. G. TAYLOR (Indian Head-Wolseley): — My question is to the Minister of Continuing Education (Mr. Rolfes). The minister is obviously aware that the universities feel there are not enough funds for certain programs and wages and that the students feel there should be more money to keep tuition fees down. Would you, Mr. Minister, not feel that it is highly inappropriate to proceed at this time with Bill No. 8, to have a full-time paid chairman of the University Commissions?

HON. H. H. ROLFES (Minister of Continuing Education): — No, Mr. Speaker.

MR. TAYLOR: — It seems to me that the universities have been operating very well. Therefore, would the minister not admit that it would be symbolic move to show concern if you, Sir, immediately withdrew Bill No. 8 and not proceed with it at this time. In other words, withdraw the bill, Mr. Minister.

SOME HON. MEMBERS: — Hear, hear!

MR. ROLFES: — Mr. Speaker, I'll try and keep the emotions — I'll try and have a national debate on the particular problem. As I indicated yesterday, Mr. Speaker, in the budget debate, when you compare the increases in operating grants in Saskatchewan and compare them to any other province in Canada we are still the highest. Grants to universities for the last seven or eight years have increased over 200 per cent. The consumer price index has increased in that particular time 71 per cent. In the last five years the average operating grants to our universities have gone up 13.1 per cent compared to about a 4.5 per cent increase in Manitoba and a little over 5 per cent in Ontario. I recognize that every institution would like to have more funds. I think the grants that have been made available to our universities will meet the demands that are there. We have also increased bursaries to our students so that those who are in financial need will be able to go to university. I don't believe, Mr. Speaker, that our funding will prevent any university student from attending post secondary education. I think there will be ample funds available — bursaries have increased by 31 per cent, our student loan and bursaries have increased from \$6 million to over \$7 million. I think the Minister of Finance has been fairly generous. Certainly they would have liked to have more funds but I think on the whole they will be able to operate within the grants that we have allocated to them

MR. TAYLOR: — Supplementary, Mr. Speaker. I can appreciate this, Mr. Minister, your facts yesterday were 198 per cent and today they are 200 per cent. I don't know what they will be down the road a bit. What I am led to believe is that there is a danger of cuts in programs at the university, Mr. Minister. I would say that the university has been operating well — let me repeat myself — it has been operating well. I don't know if we need this full-time commissioner. That would be the one indication that you would be willing to cut back on the spending and put the money in programs which benefit the students, more than a full-time commissioner, Mr. Speaker.

MR. ROLFES: — Mr. Speaker, the additional funds that are required under Bill 8, should the bill be proceeded with — and I hope that it will — are miniscule compared to what is will do for our program. The funds that we are looking at are somewhere in the neighbourhood of \$20,000 to \$30,000. I don't think that would really go very far in providing new programs or even helping out the total situation.

I think, Mr. Speaker, the member is being a little naïve in thinking that would solve the problem. The problem, Mr. Speaker, is that the members opposite don't understand that we, as a government, do not determine how many programs are provided at the university. That is determined by the board of governors and the administration at the university. I believe, Mr. Speaker, that it would be very dangerous, for government to interfere directly with the administration of the universities. They want that freedom and that freedom should be maintained.

Meeting Regarding CPN

MR. J. G. LANE (Qu'Appelle): — A question to the Attorney General. I am advised that

today, CPN officials are meeting with the Northland Bank, I believe, and the receiver. Perhaps the Attorney General can tell us the status of those particular meetings and if that is the report as to the future of CPN will you undertake to table in this Assembly, immediately upon reception, the report so that the public may see what the trustee has indicated as to the future of this basically financial dinosaur, by the looks of things?

HON. R. J. ROMANOW (Attorney General): — Well, Mr. Speaker, I know the members well-known opposition of the principle of co-operative control in broadcasting, but I would say, Mr. Speaker, that I have not received, yet, a copy of the receiver's report on this matter. So far as I know no meeting is being held between the receiver and CPN today. There may very well be meetings as regards the receiver and Northland or Department of Finance people, but so far as I know CPN is not involved in this matter. I think what we have to do is see the report before we make any decision as to tabling copies of the report.

MR. LANE: — You have indicated by way of supplementary, that there may be meetings between the Department of Finance, CPN, Northland Bank and the receiver. How do you justify the involvement of the Department of Finance when you tried to skate out from underneath the problem last fall, by having a receiver appointed and pulling the Department of Finance officials out? It looks like a reimposition by the minister, the Department of Finance and CPN.

MR. ROMANOW: — Well, Mr. Speaker, I think the hon. member realizes that the government of Saskatchewan has guaranteed a \$2.6 million loan, advanced by Northland Bank to CPN. It was subsequent to that particular document, that particular loan, that a receiver has been appointed. It is only natural that any kind of report that the receiver makes, since the government is the main guarantor on this matter, that it too would be informed in due course. As long as the member understands that.

MR. LANE: — Will the member undertake to table the report?

MR. ROMANOW: — No.

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.

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, on entering this debate I would first like to congratulate you on your re-election to the Chair of this Assembly. I know you will carry out your duties impartially but fairly. May I also congratulate the new members elected on both sides of this House. In our NDP caucus, in addition to the 34 experienced members, we welcome seven new MLAs and three more who previously sat in this House and have now been re-elected. I know they will work hard for their constituencies: they will work hard in this Assembly and they will work hard for our province.

I want to thank the people of Last Mountain-Touchwood constituency for their confidence in me and in the program of our party. We had a battle out in Last Mountain-Touchwood, a tough contest and I enjoy, Mr. Speaker, tough contests.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — There is no question that the Liberal Party in the constituency ganged up with the Conservatives, but, Mr. Speaker, not all of the Liberals or Conservatives went with their party organization. Our members in that riding worked hard and we proved that we can win in what amounted to a two-way contest.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Last Mountain-Touchwood constituency, Mr. Speaker, has been represented by able, strong-willed men of the CCF and the NDP — Jake Benson, Russ Brown, Tom Johnston, and Frank Meakes. I consider it an honor to serve the people who elected them and who, in larger numbers than ever before, have now given me their support.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, the election of October 18 marked a turning point in Saskatchewan politics. For 50 years the political scene in Saskatchewan has been dominated by the contest between the progressive forces and the forces of the right wing. That contest continues but the actors have changed. Today it is the Conservatives who speak for the right in this province. Last year, Mr. Speaker, many observers, especially those in our eastern press predicted that the replacement of the Liberals with the Conservatives would mean the defeat of the New Democratic Party in Saskatchewan. Mr. Speaker, they were wrong by a margin of 44 to 17.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — That vote on October 18 showed that the people of Saskatchewan are not merely Liberal or anti-Liberal but that they are progressive and they're right-wing. October 18 proved that the progressive element in this province can take on that right wing whether it be Liberal or Conservative and beat them, and beat them soundly.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — Allan Blakeney and the New Democratic Party drew strong support from every sector of the population. Voters were saying they want to look forward with confidence, not look to the past with fear. People voted for leadership. They voted for imagination. They voted for good sense. They voted for integrity on October 18, and the members they elected on this side of the House are delivering and will deliver that.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, in the election campaign the New Democrats told the people the truth about our public finances. We told the people of Saskatchewan that money does not grow on trees and that if we are to keep our top-rated health care services, our social programs, the money can only come from two places — taxes on people, and taxes on our resource wealth. Allan Blakeney and the New Democratic government today are developing the most imaginative resource policy anywhere on the North American continent.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — The NDP policy of resource development and taxation is the vehicle that keeps our health care in the forefront, and permits the tax benefits that Mr. Smishek brought forward in this budget. Our Saskatchewan resource policy is dramatically different from anything that we've known under the Thatcher Liberals or anything that we have heard from the Collver Conservatives. For years, Mr. Speaker, the right-winged parties told us we could never ask more of a resource developer than that he should do us a favour by building a branch plant in our province. The Liberals and the Conservatives make Saskatchewan feel like a poor relation, a beggar — cap in hand at the door of the multinational corporations — whose best hope is that one of these giants would be good enough to take our oil and take our potash and take our uranium and, perhaps, give us a few jobs in return. The right-wing message in Saskatchewan is bow low, be humble, if you want to develop. Liberals and Conservatives have always sold this province short, made our people feel small, belittled our assets, down-played our abilities — and that is why they sit in the opposition today and not in the government. They have nothing to offer. They offered nothing on October 18, they've offered nothing in this Assembly, and everyone in this province knows it.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, Saskatchewan people want leadership. People want the government to govern, to step forward, to take initiative. They will not be satisfied with politicians whose platform is basically that they will do as little as possible. This province is growing, our best years are ahead of us; and I am proud that this government is taking positive steps to arrange our development to the benefit of all Saskatchewan citizens.

Mr. Speaker, I want to congratulate the Minister of Finance (Mr. Smishek) on his budget presentation last week. The income tax cut, the mortgage assistance, the property improvement grant for renters, the school tax rebate to senior citizens, the capital gains tax rebate, the \$16 million farm fuel rebate to ease the cost-pricing squeeze on farmers, all make this budget exactly what it says it is — a cost of living protection budget.

Mr. Speaker, the most far-reaching attack on inflation in this budget is the provincial government's major infusion of funds to municipalities through the revenue sharing program. The new money will allow municipalities to hold the line on mill rates again this year. Indeed, mill rates on both school and property taxes are lower now as a proportion of municipal operating expenditures than they were in 1971. Having enough money to back up decisions made locally is real local autonomy and this government has gone a long way to provide Saskatchewan municipalities with that autonomy, through its new revenue sharing program.

In both this year's and last year's budgets, the biggest percentage increase in grants to organizations went to the municipalities through revenue sharing — a program that has increased direct grants to municipalities in Saskatchewan to \$77 million. Revenue sharing is a major step forward for our municipal governments. Last year we introduced phase one of the most comprehensive revenue sharing plan in Canada. You will recall the basic plan of revenue sharing — a pooling of conditional grants into a single fund, indexing to the growth of the province's economy, grants paid out with no

strings attached.

This budget provides 16 million new dollars on top of the increases last year, holds down property taxes, allows municipalities, if that is their desire, to build up reserves — in total, \$77 million. This compares to \$42 million in 1977, before revenue sharing — almost double in only two years. There will be \$43.5 million distributed to urban municipalities this year through the per capita and the foundation grant formula; \$31 million will be distributed to rural municipalities through the basic equalization and road grants.

In addition, Mr. Speaker, this budget provides a further \$3 million for municipalities that wish to participate in the new road ambulance, fire protection and recreation programs. The response of the municipalities to these co-operative grants in the past year has been encouraging. As of March 1, 58 ambulance districts had been formed, and 35 were in the progress of organizing. Over 500 urban and rural municipalities have joined together in the co-operative fire protection agreements. Mr. Speaker, these grants are optional. Each local council makes its own choice to participate or stay out. In the fire protection regions councils receive a grant of \$1 per capita to a maximum of \$10,000. In the ambulance regions, small populations draw up to \$3 per capita, the larger cities get \$1 per capita.

Let's pause for a moment, to discuss the road ambulance program. Road ambulance is another Saskatchewan health care service. Our government aims to provide or support the best possible service at least cost. For this reason we put a major condition on the ambulance grant.

Any ambulance operating with grant money must reduce its charges. Mr. Speaker, the reduction in rates amounts to an average of 40 per cent. The standard ambulance association fee is \$65 for a pick up. Our program chops that back to not more than \$35. The standard mileage rate is 85 cents per mile — our program chops that back to 40 cents and the first 25 miles are free.

These rates were negotiated with the Saskatchewan Road Ambulance Association as a condition of the grant. I want to congratulate that association and thank them and their officers for the excellent co-operation that they have given our staff in developing this program.

Road ambulance is proving to be very popular with municipalities. Roughly 80 per cent of the population is now covered by municipal road ambulance districts that have formed since last June, or in the process of establishing themselves. It is a tribute to the foresight and the enterprise of local government to see such a solid response to this new health service.

Mr. Speaker, municipal revenue sharing is a multimillion dollar program, a very significant expenditure of money. But even revenue sharing is not the only source of provincial dollars for municipalities.

Before I go on let me interrupt, by indicating to this Assembly, Mr. Speaker, that I am pleased to report that I have, this morning, received confirmation from the federal Minister for Urban Affairs, Andre Ouellet, that the Community Services Program for 1979 will, indeed, go ahead in Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, this means \$4.65 million for capital programs to Saskatchewan urban municipalities. Now, it is true that this program was in doubt for some time. Announced last June 1978, it was delayed under the federal government's fiscal restraint program until 1979. With legislation concerning the program before the House of Commons, the program was again delayed. But, Mr. Speaker, Saskatchewan signed an agreement in principle with the federal government on the proposed program last December and for several months we have been the only province with such an agreement. The only other one now is Prince Edward Island and this morning's confirmation makes Saskatchewan the only province, to-date, to benefit from the program and \$4.65 million under this program will be much appreciated by Saskatchewan municipalities.

On top of the \$77 million and the allocations under the Community Services Program municipalities may also draw on provincial programs of capital support for recreation for arterial roads, for parks, for senior citizen centres, not to mention the schools, the hospitals, the nursing homes and the very important, newly developing downtown development and many more. This year we'll begin discussions with municipal spokesmen on a new program of capital grants. Here again, millions more will be set aside to assist local government and improve the services for Saskatchewan people.

The cost of all of these programs runs into the hundreds of billions of dollars. It's an enormous cost, but it's an enormous benefit that is only possible because of the revenue Saskatchewan people are receiving under the New Democratic Party government resource policy. Mr. Speaker, if we listened to the opposition and had given away the shares in our resource industries, the money for these programs would have disappeared. The voters, yes, would get a certificate — a stock certificate, a piece of paper from the Leader of the Opposition and his friend the member for Thunder creek — but who would pay the hundreds of millions of dollars of higher taxes that would result if we no longer had a resource revenue to assist our local governments?

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — As I said in the beginning, money doesn't grow on trees, it comes from the taxes on people or the taxes on resources. Revenue sharing depends on resource dollars and a healthy economy and if we're going to have a successful revenue sharing program, the taxpayers of Saskatchewan can't afford any wild ideas that come forward from the members opposite.

Mr. Speaker, the Tories opposite like to make comparisons with Alberta. I remind you that Alberta's oil resource is many times the size of our Saskatchewan oil resource. Alberta produced 85 per cent of Canadian oil; Saskatchewan produces 14 per cent. Yet, with all of their oil money, the Conservatives in Alberta still deny their local governments any form of revenue sharing. Just before the election was called, Mr. Speaker, the conservatives made a concession to their municipalities; I call it a concession. They announced a one-time program, \$1 billion, to help retire municipal debt. It was forced on them, I say, Mr. Speaker, because Alberta had one of the highest municipal debt loads in western Canada. I remind the members opposite that the Alberta Conservatives are financing their debt retirement with money that could be added to the heritage fund, exactly the same thing that the Saskatchewan Conservatives pretend to be so objectionable in the budget brought down by the Minister of Finance.

Mr. Speaker, Alberta taxpayers carry a municipal debt burden 5 to 6 times as high as Saskatchewan municipal debt. The net municipal debt in Alberta — and this doesn't include the millions they owe for utilities — is more than \$670 per person. The Saskatchewan net municipal debt is below \$130 — Alberta \$670. Saskatchewan under \$130. Even with the billion dollar debt retirement in Alberta, their municipalities are still burdened with more debt than Saskatchewan. Alberta taxpayers will still owe \$140 per person while Saskatchewan owes less than \$130.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — And there is no revenue sharing in Alberta. I say one of the reasons that Saskatchewan people owe less municipal debt is because we use our resource taxation dollars to help our municipalities. Saskatchewan has revenue sharing. We are about to start a new capital grants plan and these NDP programs not only keep our debt on our taxes down, they also give Saskatchewan local governments more autonomy than in any other province in Canada.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — It's true, Mr. Speaker, there was an election in Alberta yesterday. We have to congratulate the Lougheed government for their return to office. I congratulate them. But there is something else going on in Alberta. The position of the New Democratic party in Alberta is substantially improved over 1975.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — The Conservatives dropped 5 per cent; the vote for the NDP rose 3 per cent. Grant Notley, the NDP leader won his seat with a plurality of more than 1,000 votes. New Democratic Party candidates came within 200 votes of victory in 8 ridings and took second place in 31.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — The margins of most Conservative candidates were reduced considerably where the New Democrats ran second, while in constituencies where Social Credit second, the Tory margins increased or remained largely the same. So there is a message, Mr. Speaker, in Alberta.

We fight elections in the New Democratic Party when it is warm in spring or warm in autumn. A turnout in June or a turnout in October and we would have won eight seats in Alberta. Social Credit took more votes than our party but their support is hived into four constituencies. The New Democrats have established a broad base and I say they are the alternative in Alberta.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, if you look at the history of Alberta election, when they swing they take a full swing. The day is not far off, Mr. Speaker, when New Democrats will speak for all western Canada with a united voice.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, it is a great pleasure. We are not resting on our laurels. This budget introduces three new programs to distribute resource dollars directly to thousands of Saskatchewan citizens. Two of these programs are in municipal affairs. The renters' property tax rebate offers individual and families, who rent their homes, new relief from local taxes they pay through their rent. Mr. Speaker, 85,000 renters will benefit from this rebate of up to \$115 based on 5 per cent of rent paid, a tax reduction of \$7.5 million in 1979. Starting in May a publicity program will inform tenants and landlords how the \$115 can be claimed. I will have a lot more to say in this Assembly about the renters' rebate when we introduce legislation.

Our program for the October 18 election committed the new Democratic Party to a rebate of school taxes to senior citizens. This budget delivers that promise. Mr. Speaker, \$15 million is set aside for this Senior Citizen School Tax Rebate program for 1979. No other Canadian province offers as much for senior citizens as we do in this province. NDP leadership produced a prescription drug plan, the hearing aid plan, the pension supplement, Meals-on-wheels, home-care services, thousands of new senior citizen's homes, the home repair grant, free fishing licenses, half-rate bus fares, as well as the abolition of deterrent fees and medicare premiums. We intend to stay in the leadership role for senior citizens by using dollars from our resource policy to help retired people lead a decent life. The new school tax rebate will pay up to \$460 to 57,000 senior citizen home-owners across this province. Every senior citizen home-owner is guaranteed a minimum of \$50 more than the regular property improvement grant and more if his school tax warrants.

Mr. Speaker, let me turn for a moment to transportation. Everyone knows there is a problem in transportation. Everyone has a different explanation as to what the problem is in our system. The farmers say it's the railways; the railways say it's the laborers; the Canadian Wheat Board says it's the lack of hopper cars. The only thing that everyone agrees on is that something must be done. Mr. Speaker, we can't seem to handle the 21 million tons of grain that we now can sell, let alone be able to handle the Wheat Board estimates of 50 per cent increase to 30 million tons by 1985. We've been reminded over and over again in the last six months of the \$450 million in lost sales in this past year because we couldn't move the grain to port and sales will be deferred in this crop year because of the problem. We've got to get the transportation system working for us. Mr. Speaker, bringing the system up to a level where it can deliver 50 per cent more or about 101.25 billion bushels a year to waiting ships spell one word and that's investment. There must be improvement on the railway tracks; there must be improvement in diesel power; there must be hopper cars; there must be port facilities. We are talking money, big money, several billions of dollars but now is the time to act. If we do not act now Canada will lose its share of the world grain market and that will not only hurt the western agriculture economy but will hurt Canada as a whole.

The question, Mr. Speaker, is how do we get at the problem. Three solutions have been put forward. One, there is the solution that we put forward to the Grain-handling and Transportation Commission in 1976. It's an idea that's been around for years. It is gaining new momentum, that the railways of Canada should be owned and operated as a public utility for all and by the people of Canada. Service would be the first priority, not profit. The second solution is the one put forward by Justice Emmett Hall in the Grain-handling and Transportation Report. The third is the Canadian Wheat Board proposal to have the federal government purchase 5,000 hopper cars and the prairie provinces join in the purchase of an additional 5,000 hopper cars — cost to Saskatchewan, \$130 million to \$140 million. Mr. Speaker, in examining the three proposals, Hall is obviously compromising the public ownership approach. The Hall

solution really says, let's give the railways one more chance by looking at a different approach to compensation. Let's compensate the railways for their operating costs in the movement of grain and at the same time protect the crowrates. The wheat board proposal is, in my opinion, a very narrow proposal because it assumes a resolution by some other means of all of the other problems confronting the transportation system; it supports the diesels, the Fraser Canyon, the compensation. It assumes branch line subsidies and rehabilitation subsidies.

Saskatchewan, Mr. Speaker, has adopted the whole compromise. It's embodied in the Saskatchewan Crowrate Guarantee Plan and that plan is exactly what it says — a plan to guarantee the rate to the producer — yet compensate the railway for the cost of moving grain. The compensation by the federal government includes a return on investment for the railway, in other words, compensation based on the Snavely Principles. Under this plan, we would co-operate with the federal government by resolving our processing industry problem — the alfalfa industry, the rapeseed crushing industry — with the same kind of compensation. This, in turn, would encourage the development of secondary agricultural industry in this province and we have \$3 million in the agriculture budget for the Saskatchewan Crowrate Guarantee Plan. Some people say, Mr. Speaker, the Hall Plan, the Hall proposal or the Saskatchewan plan won't work; even if the railways receive compensation, they won't equip the system. Therefore, we'll both be assured of getting our grain to the market. These people argue that the government's job is to capitalize the system.

I say to those people who make that argument, that's all we've ever done. All we've ever done is capitalize the system and are they moving the grain today? What guarantees are there, Mr. Speaker, that a billion dollars in rehabilitation of lines, that a billion dollars into hopper cars will move the grain? It seems to me that an agreement each year with the railways under Saskatchewan's Crowrate Guarantee Plan would give the railways incentive to move the grain because that's all they would get paid to do. The more grain they moved, the more they would get paid. The more they invest to move the grain, the larger their operating revenues. Who would be so foolish to compensate the railways for that they do not move? The Hall proposal, the Saskatchewan plan is to pay the railways full compensation for grain movement but only for what they do. Under this approach, if it fails, if the railways did not delivery, then there's only one choice left and Justice Emmett Hall put it to the transportation committee of the House of Commons when he appeared before them a year ago.

Public ownership of the railways is to be operated as a public utility in the interest of all Canadians.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY — Mr. Speaker, I get upset about the games that the railways are playing for they're asking the taxpayer to capitalize their whole system. They haven't bought a boxcar since 1951 for grain movement and to, additionally, obtain the removal of crowrate. I read the news release last week of the railways signing a new agreement with the federal Minister of Transport for rehabilitation money and they were getting in that agreement a \$70 million outright gift from the people of Canada. That gift would upgrade some lines. It would buy some cars. Did you say they say thank you to the people of Canada? They said the rate is too low. These are the people, Mr. Speaker, with whom the private grain trade and special interest groups meet behind closed doors in the dark of night to talk about giving them what they want — the

removal of crow — when they are being capitalized with money from the people of Canada. Surely the railways can't have it both ways.

Mr. Speaker, the federal Minister of Transport asked for a task force. We're happy to participate as a province with the federal minister and a such a taskforce, but we will accept nothing less than a fair deal for western agriculture.

We see the country elevator system, with improvement and updating, remaining as the primary collection system for grain. We see the crowrate remaining and on that we refuse to bargain. A fair deal for western agriculture is a preservation of our historical rights, and a plan whereby we can be sure that every bushel we can grow will move to export markets. Now that's a challenge — but it's a challenge that is possible. We look forward to open and aboveboard discussions to solve these critical issues. We have nothing to do with any kind of backroom tradeoffs.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, yes, the year ahead is a challenging one. Municipalities have the challenge of real local autonomy with more money at their disposal than ever before. Government has the challenge of solving the problems in the transportation industry to carry the crops of the future to market. This budget has made the first one possible; it paves the way for the second. Mr. Speaker, I am pleased to support the budget.

SOME HON. MEMBERS: — Hear, hear!

MR. L. E. JOHNSON (Turtleford): — Mr. Speaker, it is with a great deal of pleasure that I rise this afternoon to participate in this budget debate. I would first like to take this opportunity to thank and congratulate a few people. Mr. Speaker, I would like to thank those individuals who worked for me during the recent election as well as those who supported me at the polls. I would also like to tell the members of this Assembly that the people of the Turtleford constituency, whether friend or foe, were very hospitable during the election in October.

Mr. Speaker, I would like to welcome to this Assembly the new members that have been mentioned by previous speakers. I hope that their stay here is an educational one and that their constituents feel that they are provided with good service. I would be remiss, Mr. Speaker, if I did not say that I'm glad to see you have again accepted the responsibility of chairing this Assembly. The Assembly needs a man of your patience.

Mr. Speaker, I would like to thank some of my colleagues for giving me this opportunity at this time to use five minutes because I note that a group of 35 Grade 9 students from the Turtleford constituency is in the Speaker's gallery.

HON. MEMBERS: — Hear, hear!

MR. JOHNSON: — I recognize that some of the speech they've just heard will have filled them in the overall objectives of the budget. I'd like to point out some of the budgetary items that will have a more direct effect on these particular students.

Mr. Speaker, the Turtleford School District received an operating grant of some \$2.1 million in 1978. This budget will provide an estimated operating grant for this district of some \$2.3 million, an increase of 8 per cent of \$187,000.

The village of Turtleford received an increase in funds of 25 per cent because of the revenue sharing program of this government and I believe that that will be put to excellent use in the village of Turtleford.

I might add, Mr. Speaker, that the rural municipality of Mervin did not fare as well in the area of increased funds, but last year the Department of Highways took over six to eight miles of heavily travelled grid and released the municipality of that responsibility.

Mr. Speaker, these students in the gallery come from one of the more progressive communities in the province of Saskatchewan. Last summer, the District 34 4-H Clubs (I believe 34 is the correct district) exchanged visits with Newfoundland 4-H members. I'm convinced from discussions I've had with individuals involved in that experience that it was very educational for the parents as well as for the club members. I hope that this trip to Regina for the students is as educational and as much fun as that particular exchange was.

I believe it is noteworthy, Mr. Speaker, that the people of the Turtleford area, including the villages and hamlets of Spruce Lake, Mervin and Livelong have made excellent use of the money provided to local authorities through this government's community development programs, financed in part by resource revenue. The money has been used by these communities like a farmer uses seed, to provide cultural and recreational facilities far in excess of the amounts the grant would've provided. I've been honored to be at the opening of several of these particular facilities. It has been used, as well, to improve municipal services, and in that particular area of all the towns and villages now have a water source.

Because of the recreational facilities, Turtleford and area have hosted a number of events this winter, the most notable being, I believe, the River Junction Winter Games. I think they were a great success.

Mr. Speaker, some of the highlights of this budget which I think will be of interest to the farmers of the area are that the capital gains rebate program will be in place for the people who are wishing to sell family farms. The Saskatchewan capital gains tax will be rebated on that.

Mr. Speaker, I know the students came down over Highway No. 26, and I am pleased that the Minister of Highways (Mr. Kramer), in tabling yesterday the project array for highways, stated that there was going to be two more projects for Highway No. 26, a distance of almost 30 kilometers.

Thank you, Mr. Speaker. I will be supporting the budget.

SOME HON. MEMBERS: — Hear, hear!

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

Firstly I'd like to congratulate you, Mr. Speaker, on your reappointment to the position of Speaker of the Legislative Assembly, and I would also like to extend my congratulations to Mr. White, the member for Regina Wascana, for moving the Speech

from the Throne, and also Mr. Lingenfelter, the member for Shaunavon, for seconding it.

Mr. Speaker, I'd like to take this opportunity also to thank the people in my constituency of Melfort for supporting me in the last election. I appreciate the opportunity that they gave me to serve them again for another four years, and I will endeavor to be worthy of their confidence. I would like to congratulate also, Mr. Speaker, the new members of this Legislative Assembly who are taking their seats for the first time in this session, and I am sure, Mr. Speaker, that the people of Saskatchewan have chosen wisely in their selection of competent and committed members.

Mr. Speaker, this government is made up of competent and committed men, men whose main concern is the welfare of the people of Saskatchewan. This concern has once again been reflected in the budget which was presented by the Minister of Finance (Mr. Smishek) on Thursday of last week. I would like to congratulate the minister once again for presenting a budget with provisions which will contribute to the ongoing well-being of the citizens of Saskatchewan. This budget provides tax cuts and rebates for a wide range of people, and as Minister of Industry and Commerce and for SEDCO (Saskatchewan Economic Development Corporation), I am pleased that the budget also includes provisions which will be helpful to the businessmen in Saskatchewan.

The capital gains tax rebate program, one of the programs which I will later be talking about, for assistance for inventory and financing of manufacturing and expansion, which I will be describing in a few moments, are also included in that budget.

Mr. Speaker, this budget reflects the government's concern for the economic well-being of the people of Saskatchewan, and as a member of this government, I am proud of our record of sound economic programs and responsiveness to the needs of the Saskatchewan citizens. As the minister responsible for industry and commerce in the province of Saskatchewan and as the minister in charge of SEDCO (Saskatchewan Economic Development Corporation), I am especially proud of this government's record in promoting business and industrial development. There is, Mr. Speaker, an upward movement in the economy. Almost all sectors of business and industry have been growing and expanding. For example, the dollar value of manufacturing shipments in 1978 is up by 19 per cent over 1977 figures. The value of uranium sales has nearly doubled in the past year and the level of public and private investment has been steadily increasing since 1976. In addition, Mr. Speaker, projections by the Saskatchewan Department of Industry and Commerce indicate that investment in the manufacturing sector in Saskatchewan will expand steadily during the 1980s. This growth is undoubtedly a response to the opportunities that lie before us.

Mr. Speaker, not too many years ago, this province's economic fate was tied to agriculture. While agriculture continues to be extremely important in Saskatchewan, Saskatchewan's economic base has changed dramatically in the last few years with the development of oil, potash, uranium, coal, natural gas, forestry and other natural resources. Saskatchewan is rapidly becoming a home for a broad range of industrial enterprises and to meet that challenge of this expanding economy, the government has outlined an economic policy which includes the following:

1. Continuing the upward momentum in the economy by diversifying the economic base;

- 2 Adding value to its natural resources by processing them in the province wherever possible;
- 3 Supporting the essential role of the private sector in initiating, financing and operating new developments;
4. Attracting new investments from outside the province, particularly if the developments involve new technologies and highly developed management skills;
5. Providing a large range of support programs that will make it easier for investors to anchor new and viable industries in the province.

Mr. Speaker, this government is not only concerned with the large industries and resource development. We are also trying to create a climate in which small business can develop, prosper and serve its community. And I can demonstrate, Mr. Speaker, that our policies have been successful in the past and I have confidence that they will be even more successful in the future.

I would like to take a few moments Mr. Speaker, to review this government's record in supporting and assisting small businessmen in Saskatchewan. In the provincial budget, which was brought down on March of 1978, five new programs were announced which were designed to assist small business to develop, expand and better fit the needs of their communities. These programs include the small business interest abatement program, small industry development program, the product development program, management development and main street development program. Mr. Speaker, these programs have met with a positive response from the business community. For example, the small business interest abatement program provides a rebate on business loans which are taken out of small businesses to start new operations or to expand or upgrade their facilities. In the 11 months since the implementation of this program, 498 applications have been approved and over \$200,000 committed to assist businessmen with the costs of developing and expanding their business.

The small industry development program assists Saskatchewan companies to expand, modernize and establish new manufacturing and processing industries in the province. It provides interest free forgivable loans for up to \$15,000. Since the implementation of this program, 63 industries have qualified for assistance and the government has loaned \$523,000 to help these businesses develop.

It should be noted, however, Mr. Speaker, that not only is this government providing needed capital through these programs the government is also contributing to employment. Two hundred new jobs have been created, Mr. Speaker, in the industries that have been assisted by this program.

The product development program offers financial assistance to help to design new products, or improve the quality of existing products. It can also help financing products, testing procedures and prototype or special process development.

Thirty-six projects have already been approved and \$203,000 has been committed to help with the development of these products. Four more projects are under consideration.

It is worth noting, Mr. Speaker, that the entrepreneurs, who are developing their

innovative ideas through this program, are committed to manufacturing the final products in Saskatchewan. Therefore, this program will lead to more industry and employment in our province.

The management development program acts as an incentive to help Saskatchewan manufacturing and processing firms to be more competitive and to expand. This program provides financial assistance to hire outside management consultants and to send company representatives to business and technical seminars and courses. Twenty-five applications for assistance have been approved under this program.

The main street development program is designed to help smaller communities by providing consultative services and grants to help offset the costs of physical improvements to the community's main street business area. When this program was announced in 1978, over 250 communities have expressed interest. By the end of February, 1979, 11 communities have been approved for grants, totally \$104,000 under this program. These grants have resulted in over \$298,000 in the improvements being made in communities as far spread as Richmond in the South and Star city in the North. Several other community requests are in the developmental stage and response to this program has been very positive. Recent inquiries indicate that even greater use will be made of it in 1979. I believe, Mr. Speaker, that the positive response these five programs have received demonstrates clearly that the policies of this government are well designed to serve the needs of the business community. This government's concern for that community is further demonstrated by the new program which was announced by the Minister of Finance in his budget last Thursday. I refer, Mr. Speaker, to a program called Assistance for Inventory and Manufacturing Expansion.

I referred earlier, Mr. Speaker, to the government's concern for the small businessmen and our general policy of diversifying the economic base. To attain a diversified economy, it is especially important that the manufacturing sector be strong. The important role of the manufacturing sector to the overall economic growth of the province can be readily illustrated. The manufacturing sector is the most important generator of indirect jobs. Almost three jobs are created indirectly for every new job created in manufacturing. A strong local manufacturing industry will also serve to keep a greater portion of Saskatchewan's consumer dollars in the province, rather than having them go to foreign or eastern industries.

The production of agricultural machinery is especially important as Saskatchewan is a major consumer of these manufactured goods. Indeed, Mr. Speaker, forecasts from the Department of Industry and Commerce indicate major growth can be expected in the agricultural machinery field. However, Saskatchewan's manufacturers who produce goods for local markets face difficulties because of the seasonal nature of the products many of them supply. For example, manufacturers of agricultural machinery or recreational equipment face long seasons when their products are not in demand. Saskatchewan companies tend to be relatively small and cannot take advantage of the long off-season time to build up stocks of their products for the peak demand period. These small manufacturers soon find all of their working capital tied up in inventory. Without revenue coming in from sales, they must gear down production and lay off staff until the season for sales once again arrives.

This means, Mr. Speaker, these industries are not working at full capacity, and also, employment in these industries is insecure. The government, through the Saskatchewan Economic Development Corporation, will implement a program to deal

with these problems. The program will be known as Assistance for Inventory and Manufacturing Expansion, and it will make additional working capital available to qualifying manufacturing operations based in Saskatchewan. These funds will be used to assist with expanding production and with inventory requirements when market opportunities indicate that the additional funding is warranted.

The amount of additional financing to be provided by this program will be based on the cost of expanding production by an agreed amount. To qualify for this additional production or inventory financing the manufacturing applicant must satisfy certain requirements which are fundamental to the program. Labor and manufacturing overhead must be at least 33 per cent of the cost of production. The manufacturer seeking additional finances must demonstrate that he has adequate production capabilities to meet the expanded production. Also, he must demonstrate that there are adequate markets to absorb expanded production.

I would like to emphasize, Mr. Speaker, that these funds from SEDCO will not be used as a substitute for the credit available through the usual lending institutions. Rather, they are to be given out solely in addition to capital available through the usual sources. Therefore, one of the benefits of this program will be to remove some of the obstacles faced by Saskatchewan's seasonal manufacturers.

In the larger context, this program will satisfy a need for working capital among secondary manufactures and processors. It will provide them with a means of expanding and stabilizing production on a more efficient basis by providing access to a supplementary source of financing.

It is expected, Mr. Speaker, that \$5 million will be provided to the Saskatchewan manufacturing sector through this program in the current year.

I am confident that the spinoff benefits from this program will multiply throughout the economy in the greater demand for service industries, more jobs, higher retail sales and a more stable and healthy economy generally.

Mr. Speaker, the Department of Industry and Commerce is also concerned about the need or management skills in small businesses in Saskatchewan. It has been our experience, Mr. Speaker, that over the past number of years a large percentage of our business failures can be attributed to mismanagement. In many cases it was not the capital that was needed to make a business successful. It was plain to see what was required was just good business sense. Therefore, we have set out to provide a business management course which will be suitable for delivery through the community colleges. This program will teach potential business people what management is all about.

A curriculum will be developed by the Co-operative College of Saskatchewan, in consultation with the faculty of the College of Commerce from the University of Saskatchewan. This course will be designed with the needs of small businessmen in Saskatchewan in mind and will be structured so that it can be delivered all over the province.

Mr. Speaker, this government has also made every effort to assist business through the Saskatchewan Economic Development Corporation. SEDCO's major impact in the small business field is made through loans or through guarantees. In 1978 the

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corporation approved 126 loans and guarantees with a total value of \$18.9 million. Mr. Speaker, 85 per cent of this total amount went to businesses outside of the two major centres of Saskatoon and Regina. Over 70 per cent of the loans were made for the amount of less than \$100,000. These figures, Mr. Speaker, clearly indicate SEDCO's special concern for the small businessmen who are located in small centres in rural areas of the province.

SEDCO's activities have contributed more than access to needed capital. Mr. Speaker, SEDCO's programs have assisted in the creation and maintenance of jobs in this province. It is estimated that 386 new jobs were created and another 422 jobs were maintained as a result of SEDCO's 1978 lending activities.

That is 808 people, Mr. Speaker who were employed in private industries as a result of the activities of this Crown corporation. There can be no question that this is a record to be proud of.

This government's contribution to business and industry through SEDCO will continue and we are making every effort to tailor SEDCO's programs to meet the specific needs of Saskatchewan businesses. This is demonstrated by the new programs for assistance for inventory and financing expansion which I discussed a moment earlier.

Mr. Speaker, it is clear for all to see that much is being done by this government to keep Saskatchewan's small businesses strong and growing. Small businesses and every man, woman and child in Saskatchewan will also benefit from the resource development that will occur in Saskatchewan in the next decade. That resource development means that Saskatchewan will soon rival Alberta for prosperity.

Saskatchewan has rapidly growing industries in heavy oil, uranium, coal, potash, natural gas, pulp and paper, and steel, to mention only a few that come quickly to mind. These industries sold approximately \$1,720 million worth of products in 1978.

All of these industries, Mr. Speaker, are expanding their levels of production to meet increasing world demands. The expansion in these major industries means that substantial investment will be made and many new jobs will be created in these primary resource industries. This investment and these jobs will unquestionably be of great benefit to Saskatchewan. Even more benefit will come to our province from the spin-off industries that will be needed as a result of this expansion in the resource sector.

Each of these major resource budgets will require great quantities of both goods and services. The resource industries will be demanding much, and it is the intention of this government that local Saskatchewan industry will have the opportunity to respond to that demand. We are making every effort to ensure the highest possible level of Saskatchewan industry participation in all phases of these resource development projects.

Mr. Speaker, the Saskatchewan Department of Industry and Commerce will play a vital liaison role between the resource industries and Saskatchewan's manufacturing and servicing companies.

Members of the department are in close touch with the developers of resource projects and are developing lists of total requirements of each of these industries. This information is being circulated to Saskatchewan businessmen and industries so that they are aware of the opportunities that are available. If no Saskatchewan-based

manufacturer or supplier is available to respond to a particular resource industry need, every effort will be made to bring in entrepreneurs who will establish the needed business.

The resource industries themselves are being encouraged to tender contracts and present designed specifications in a manner which will facilitate the participation of Saskatchewan industries. Mr. Speaker, Saskatchewan is on a threshold of a period of solid economic expansion and Saskatchewan industries have an excellent opportunity to take advantage of this. The information is available so that they can contact the resource companies where opportunities lie and can plan changes in their production to meet resource industry demands. The government is prepared through the Department of Industry and Commerce to provide them with market information and with grant assistance if it is needed. The results of efforts in this area have been encouraging. We have already received requests from the resource companies to identify Saskatchewan contractors who would undertake projects for them and the first bulletin of the benefits for Saskatchewan industry from resource development has met with strong, positive response from the province's business community.

However, Mr. Speaker, the role of the business community is essential in making our hopes for a widely diversified Saskatchewan economy a reality. Mr. Speaker, the opportunities are here, the information is available. Every reasonable type of assistance will be offered to Saskatchewan businessmen who wish to take advantage of the potential for industrial development. It is now up to our Saskatchewan businessmen to take the initiative, to get involved, to start a new venture or to expand an existing one and to translate our potential for a prosperous future into a present-day reality.

Mr. Speaker, it is going to require co-operation among many diverse groups — the small businessmen, financial institution workers and the government itself — to ensure that the people of Saskatchewan reap maximum benefits from our resources. But I am confident that it can and will be done. Mr. Speaker, we have a real opportunity to establish a broadly-based industrial economy in this province and I believe the policies and programs of this government will ensure that this objective will be achieved.

The budget which was presented on March 8, Mr. Speaker, reflects these positive policies. It is a solid step in the direction of greater economic well-being for every individual in Saskatchewan. I will be supporting the budget.

SOME HON. MEMBERS: — Hear, hear!

WELCOME TO STUDENTS

MR. G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, before I begin my remarks on the budget debate, I would like to introduce to you and through you 28 students from Windthorst High School and their teachers who have been on a tour of the STI (Saskatchewan Technical Institute) in Moose Jaw. They have joined us in the House. They are going to be staying overnight in Regina and doing some more touring tomorrow. I think this is a very good new idea in education — a two-day tour and I certainly hope you enjoy your stay in Regina and have a safe trip home.

Budget debate continues.

MR. TAYLOR: — Mr. Speaker, I would like to share an observation with this Assembly.

We all know that the culture of a civilization expresses the feeling of its citizens. In other words the verse, the song, the painting, etc. tell the study of the society's feelings. I am sure that the member for Regina Wascana (Mr. White), if he were in the House would agree with this position saying that he is a student of history, as I am myself. I believe that song is probably the most popular mode of expressions, therefore, Mr. Speaker, it is interesting to see the revival of one of Ian Tyson's popular songs by another Canadian singer, Neil Young. The song, Mr. Speaker, is entitled, Four Strong Winds, and for the information of the members opposite I would like to quote the first line, which says, 'Guess I will go out to Alberta, things are good there in the fall.'

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — I also hear, having checked with the music stores in Regina, that there is a current run on a song by Gordon Lightfoot called, Alberta Bound.

Mr. Speaker, I am pleased to join in this budget debate and I always like to give a talk a theme and today my theme is going to be responsibility and I would urge the members opposite to pay attention as there is a bit of a message.

I ask the first question — what is the importance of a budget? Well, to me the budget is probably one of the most important documents and one of the most important pieces of legislation brought before the session. It is the expenditure and the planning of how we are going to use the resources of this province for the benefit, I hope, of the people in the province.

I say — what is a budget? I believe that a budget is a system in which a government sets its priorities and these priorities will reflect the way that the economy and the operation of the province will take place.

I ask — what is the role of the opposition in regard to the budget? I say that the role of the opposition is to debate. We are to analyze, we are to scrutinize, yes, we are to criticize and also to support. That, Mr. Speaker, is what I intend to do in my four years and many more in this legislature of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. TAYLOR: — I don't believe that we should only do this on the budget. I believe this is the role of members on all government legislation and behavior. And government behavior brings me to another topic, Mr. Speaker. Let me discuss again some of the problems that I, as a new member, have witnessed in this House and, again, they hinge on responsibility. I see the Minister of Environment (Mr. Bowerman) is in his place and I am very glad to see that. Often he isn't. But today he is and I would like to recall the early days of this session when he was questioned about the actions of the Deputy Minister, Mr. Grant Mitchell, in not referring to the PCB spill. His answer was — errors in judgement. When asked what if this happened again? He said, if there's further errors in judgement, I would probably take the same action. My question to you, sir, is where is the responsibility? At some time somebody has to stand up and account for these mistakes.

AN HON. MEMBER: — Right on.

AN. HON. MEMBER: — Hear, hear!

MR. TAYLOR: — It's too bad the Minister of Finance (Mr. Smishek) isn't here. He again

has the habit of sneaking out, but I would like to relate to the budget speech. Who is responsible? Who is responsible for the leak in the budget? . . . (inaudible interjection) . . . If the Attorney General is finished sounding off I would like to go on. Who is responsible I say? Then there was the embargo. There was the embargo on the budget, and the embargo was lifted and the Saskatoon radio station was reporting it before the finance minister. Again I ask you, Mr. Speaker, where is the responsibility? We see time and time again the flippant and light-mannered actions in which serious topics and suggestions raised by the opposition are treated by the government — such issues as the environment, the issue of disclosure, and I could list many more — suggestions, I would say, met with laughter. Now these may be humorous to you members but to me they are serious, and serious to the people of Saskatchewan. I'd like you to remember the old adage that I'm sure your mothers taught all of you at one time, that he who laughs last, laughs best. I can assure you that we on this side will have the last laugh.

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — Now the Premier called for positive suggestions, and if you will recall my reply to the throne speech I put forth a number of positive suggestions, as did my friend here and colleague, the member for Meadow Lake (Mr. McLeod). I invited the ministers to discuss these proposals. In this Year of the Child I presented my proposal for the gifted, which I discussed with the Dean of Education at the University of Saskatchewan. He felt it was a very good plan. I want to mention that not one of your ministers has approached me on this topic. I don't want the glory. They can have it. They can let on it's their idea. What I want to see is the development of the program.

AN HON. MEMBER: — Hear, hear!

MR. TAYLOR: — Oh, yes, one approached me. I must say one approached me. His approach was to take the heat off the Lakeside home, not to discuss a new idea, such as the Premier requested. Instead, Mr. Premier, one of your sub-sub-lieutenants, the member for Morse (Mr. Gross), attempted to twist my words and suggestions for some reason unknown to me, and I suggest unknown to many of the people of Saskatchewan. To me, that fellow fails to make sense. But, as I told you, and I want to reaffirm this lest you should get the wrong opinion. I am not a negative fellow.

I must, however, be fair and thank the member for Regina Victoria (Mr. Baker), the gentleman sitting over there, for his support of my suggestion to complete Highway No. 1 to the Manitoba border. Thank you, sir. However, I notice that the Minister of Highways (Mr. Kramer) did not take up the suggestion. I must say, with such good judgement and foresight it is easy to see why you have had such a successful career in public life, and why the Premier sees fit to sit you in the front row of his legislature while burying the member for Morse in an inconspicuous position of the back row.

Mr. Speaker, I think the issues I have raised must indicate to the Premier that you have serious problems in your House, problems of responsibility. Mr. Premier, the people of Saskatchewan are crying out for leadership. They are rushing to join interest groups — economic interest groups, moral interest groups, spiritual interest groups. Why are they grouping together? The answer I would suggest is so the voice of the group will be stronger than the voice of the individual; so that the group can have influence on the leadership of this society, province and country.

Mr. Premier, please pay attention to the signs. Listen to our proposals and show a responsible attitude to governing this province. Mr. Premier, if you would check the

date today (and I'm sorry he's not here), I would like to recount that the date is the ides of March. Of course that's a very important date. I am glad you recognize it, Mr. Minister of Social Services (Mr. Rolfes). You would realize that it is important to heed this warning. I would also like to put forth the warning which the Minister of Highways (Mr. Kramer) said last night. I would like to inform the Premier that the Minister of Highways said there are 12 people on the opposite side ready to take his position. While on the subject of the ides of March, I would like to quote a bit from Shakespeare — I am sure you know the lines. It is in reference to the seat mate of the Premier, the Attorney General (Mr. Romanow). As I remember, Caesar said:

Let me have men about me, that are fat,
Sleek-headed men such as sleep o' nights:
Yond Cassius has a lean and hungry look,
He thinks too much:
Such men are dangerous.

Perhaps the Premier should heed this warning and move Mike Feschuk into his seat.

Regarding the budget, Mr. Speaker, we have all heard members on both sides indicate the importance of agriculture to the economy of Saskatchewan. We all know that in agriculture certain things are within our control and certain things are beyond our control. Therefore, Mr. Speaker, if we accept the fact that we cannot control all the factors in our most important economic activity (I am sure we will all agree that not even with 44 members in the House, can the NDP government make it rain) then we should be saving in times of plenty so we can provide for our needs in less favorable economic times. In other words, Mr. Speaker, we should not be continuing to deficit finance. We have all heard the member for Thunder Creek (Mr. Thatcher) tell us about the reaction to deficit financing in the United States — 27 out of 50 states in opposition to deficit financing. Please don't be so naïve, my friend, to think that the same feeling is not here in Saskatchewan today. For the Minister of Finance to have attempted to balance his first budget in 1975 and to have failed, resulting in a \$26 million deficit and to have three more continual deficits in times of plenty, makes me ask again, where is the responsibility?

I cannot agree that a deficit of \$49 million in a year of record economic activity, according to the Premier's remarks, is in the best interests of the people of Saskatchewan. The fact that we will have a deficit of \$2.6 billion by 1980 is simply staggering to me. Do you realize that is \$2,600 for every man, woman and child in this province? In my own family that amounts to \$15,600. The interest on that amount would be approximately \$1,500 per year, and that is for my family. I am sure that the citizens of Saskatchewan would be shocked, as I am, if they were aware of these facts.

I am sure all members of this House must realize by now that I have a deep and heartfelt concern for the youth of the province. I spent most of my life working with young people and I will continue to express their concerns and work for their development and protection in the legislature of this province. I am sure we all agree that they are our most important resource. So, Mr. Speaker, I feel that the establishment of the heritage fund is an excellent idea. To share the profits from our non-renewable resources (and may I repeat — non-renewable resources) with succeeding generations, is a sound idea. However, to use increasing amounts of these funds to pay for some of our present programs, is certainly not in the best interests of our present youth and our future generations.

I agree with using funds for education, because this is the most direct benefit we can give to our youth. Remember, these are non-renewable resources.

The member for Thunder Creek (Mr. Thatcher) says we will have \$727 million in the fund by the end of the 1979 fiscal year. That's a lot of money. He also indicated that if we were to invest it in a credit union, it would return approximately \$80 million in interest. To me, that would be a good investment! However, the budget indicates the income derived from the figure of \$727 million to be only \$4,350,000 — one-half of one per cent — to me, a poor investment.

Mr. Speaker, let's take a look at education. I would like to preface my remarks with a compliment to the Minister of Education (Mr. Shillington). You made mention Mr. Minister that in 1979 each of our regional offices will have an education psychologist. They have been transferred from the Department of Health. This is a good move, Mr. Minister, and I should add one that I and many Saskatchewan principals have been pushing for for many years. However, Mr. Minister, I cannot be so complimentary on some of your other statements.

In a speech to the Lloydminster teachers' convention you stated, and I quote: "And once a young mind is opened by reading any type of book . . ." Surely you do not mean this, Mr. Minister, as a responsible statement — any type of book, for any young child? I wonder about this. You must realize that careful scrutiny of reading materials in our schools is of vital importance and an important concern of many parents.

You mention in discussing the new act, and I quote from page 494 of Hansard:

It permits . . . boards of education to delegate their functions to local boards of trustees and to local advisory committees in the cities . . .

Well for your information, we in rural Saskatchewan plan to have local advisory committees and we have every right to do so under the new act. On page 492, you state your commitment to children is 'the provision of high quality services which are directed to meet the widely ranging needs of all children throughout the province.' What about those with superior learning abilities, the leaders of our next decade? I haven't seen you rushing to talk to me or anyone else on that topic. You mention emphasis in education in the French language. I say that under the new regulations for division III where French is an optional subject, you have given the study of French the kiss of death in Saskatchewan. In consultation with French teachers, I would add that they say if French is going to be an important and a worthwhile study, it should be implemented at Grade 1.

You mentioned a Johnny and Susie and I quote again: 'Johnny and Susie might have to travel an hour on a bus, but there was a direct benefit in better schools, better courses, better libraries.' I know, Mr. Minister, that you were not involved in education in 1974 as I was and I would urge you to read the recommendations of the 1974 fall conference held in the rural regions so that you can get a true feeling of parents towards further centralization and long rides on school buses

You made reference to native education and mentioned that the problems are severe. I would suggest that the situation in the city of Regina is acute and that immediate action is necessary.

Mr. Speaker, regarding education in my constituency, I would like to provide a few interesting statistics and I'll start with the Broadview School Division. A grant increase for the coming year of \$82,000 — 5 per cent and to be fair I will say that there is also an enrolment decline of 70; Indian Head school division — grant \$109,000, 6.6 per cent increase, 80 student decline. Indian Head school unit has just implemented a special education program and I would say probably the best special education program in rural Saskatchewan. In talking to the authorities in the school, they say the program is coming into jeopardy. Regina East school division — grant increase of 1.37 per cent; Grenfell school division — 8.7, enrolment down 15. The strange thing, (and I'd like to point this out) — We all know that there's a sparsity factor into the grant and the sparsity factor is based on enrolment and number of miles travelled. Well, the thing in Grenfell, is that the mileage has stayed the same, the enrolment has declined from 442 in '78 to 427 in '79 and the sparsity factor has also declined from 3.16 to 2.69. I would like the Minister of Education to explain those fancy figures to me. In Wolseley school division . . . I suppose it doesn't pay to have a Conservative member elected from your own school division, because we have a \$23,000 decrease which is a 10 per cent decrease, another matter I would like to look into.

Where, Mr. Speaker, are the large increases in grants in rural schools mentioned by the Minister of Finance in the budget? In talking to the school authorities in my constituency, they say that these factors are happening: the price of fuel is going up, the price of their lights is going up; teachers' salaries are apt to come in somewhere in the neighborhood of 7 per cent. You heard the statistics that I gave you, 5 per cent, 6 per cent. The grant isn't even enough to cover the teachers' salaries. Transportation is going up and this is causing an increase. There has been an increase in the basic formula grant of 6 mills. I ask, where is this commitment to high quality education that I hear the Minister of Finance (Mr. Smishek) speaking about? Mr. Speaker, I am sure the demonstrations of the students of the University of Regina must indicate to all members that all is not well regarding the funding of the university. One might say that it is just another student protest but I don't accept that. We all realize that the militant attitude of the 60s is past. When these students are demonstrating, I believe they have a well-grounded fear of cutbacks to their programs. Also, it was interesting to note that the arm of the NDP, Mr. Larry Brown, indicated that labor supported the students. This must be a serious situation for this man to go against the NDP government.

I would like to ask the Minister of Continuing Education (Mr. Rolfes) I see you are in the House and that's very good. I would like you to explain a couple of things to me and these two items are in the 1977-78 annual report. They are entitled: loans written off \$5,935; allowance for uncollectible loans \$46,510. Now, Mr. Minister, there may be a valid explanation but I would like you to explain the situation to me.

Mr. Speaker, I am sure that the government will be asking what should be cut to allow more money for education? Well, I would like to suggest a few areas that they could consider. Firstly, a decrease in government advertising. One cannot pick up a paper without a glaring add from the land bank. While I am on the topic of the land bank perhaps you will reconsider the need to purchase another 825 sections of farm land and to request 2 million for future land bank purchases. I would also like to suggest that you should deduct the home improvement grant and the education tax rebate for senior citizens at the source. I would also like to suggest that the government stop its practice of providing lucrative positions for defeated candidates.

In conclusion, Mr. Speaker, I must indicate that I do not accept the Minister of Finance's

statement that it would be necessary to cut services to schools and hospitals to balance the budget. I believe a budget is a statement of priorities and I believe that the priorities of this present government are wrong. I feel that the heritage fund is being abused. I do not agree that we should have continued deficit budgets. Mr. Speaker, I cannot accept the situation, we are all bequeathing a legacy of debt to our youth. To me this is a deplorable action in this International Year of the Child.

The other day the speaker from Saskatoon Nutana (Mr. Robbins) gave us a little poem and I enjoyed it very much. I congratulate him on his ability. I thought I would write just a little poem today that I would like to give and it says this:

The NDP look sad today
 Alberta people have said, 'no way',
 The socialist philosophy they see to the East
 Is not the kind they want in the least.
 One lame duck sits over there
 His political views Albertans don't share.
 Loughheed will bring them milk and honey
 And fill their pockets with lots of money.
 And so I say to you my friends
 Take heed, in four short years your term will end.
 And over here sitting all alone
 Will be wee Allan Blakeney a lonely drone.

Mr. Speaker, I cannot support the budget.

SOME HON. MEMBERS: — Hear, hear!

MR. R. G. LONG (Cut Knife-Lloydminster): — Mr. Speaker, I'd like to point out to the hon. member for Indian Head-Wolseley (Mr. Taylor) that the members of this legislature are very aware that it's the 15th day of March, most especially the Leader of the Opposition. He's sitting over there with his back to the wall.

SOME HON. MEMBERS: — Hear, hear!

MR. LONG: — Mr. Speaker, as I rise to participate in this debate, I want to congratulate the Minister of Finance on his excellent budget.

SOME HON. MEMBERS: — Hear, hear!

MR. LONG: — I believe, Mr. Speaker, that this budget will indeed lay the groundwork for the new decade of progress the people of Saskatchewan are looking forward to. Mr. Speaker, in this province, the democratic socialist governments have pioneered many programs that would improve the lot of all Saskatchewan citizens. Programs affecting the urban and rural municipalities have dramatically affected the social and economic life of our people. The introduction of revenue sharing a year ago and the dramatic increase in funds for their program this year, will mean more services and facilities. This kind of an injection of dollars will mean a better lifestyle for all the people of Saskatchewan.

Mr. Speaker, one of the finest programs ever implemented in rural Saskatchewan, I believe, was the rural Grid Road Program. Rural roads in Saskatchewan have passed through many stages since the turn of the century. At that time, there were little more

than horseback and oxcart trails in most of the prairie region.

The agricultural industry grew rapidly with the advent of the railroad. As needs rose, rural municipalities were formed to furnish a local link with the province and to provide administrative aid in the construction of necessary road work.

As the rural population grew and required more and better roads, horse-drawn equipment became available to grade trails and fill low areas where water would accumulate. This gave way in the 1920s to power equipment, which greatly increased the ability of municipalities to improve the standard of road construction.

After a decade of inactivity in the 1930s due to world-wide depression, mechanized equipment was improved and developed quite rapidly. At the present time, in the late 1970s, we have sophisticated and power equipment to construct and maintain rural roads. From 1920 to the present time, the rapid development and improvement of trucks and cars has necessitated a continual upgrading of road standards. In 1956, the government of the day, Mr. Speaker, a CCF government, introduced a cost sharing plan with rural municipalities to speed up the provision of more and better road networks. The first major network was known as the Grid Road Program and started out as a 10-year project to construct 10,000 miles of high standard all-weather rural roads. This system was eventually extended to 16,000 miles, the bulk of which has been constructed in the last 18 years. The next major system was known as the farm access road program, and it was designed to provide farmstead access with a series of all-weather roads, equal to the initial grid standard. While this second network of roads has not been completed all across the province, there are many rural municipalities which have designated their mileage finished, and these municipalities are anxious to enter a third program of improving rural roads.

To assist in the administration of the grip programs, an agency of government known as the Municipal Road Assistance Authority was brought into being in 1956. The authority, in 18 years, has developed to the point of being accepted across Saskatchewan by municipalities as being the rural road program, administrative body of the government. In 1965, the Municipal Road Assistance Authority began investigating methods of constructing an asphalt surfaced road system for municipal purposes.

Experiments were conducted in methods of stabilizing asphalt and asphalt surface roads which would be suitable for rural municipalities in Saskatchewan. The possibility of achieving dust-free roads has been demonstrated by the municipalities and the Municipal Road Assistance Authority as being practical. During the last few years there has been a growing interest in rural municipalities and their association, the Saskatchewan Association of Rural Municipalities, to further upgrade and modernize rural roads by asphalt surfacing. These roads would lessen the demand on a diminishing gravel supply, provide a greater degree of safety and ease of travel, and permit better snow clearance.

The increased pressure from many rural areas for surfaced roads, and the desire of the provincial government to meet these requests prevailed upon the government of the day to appoint a Municipal Road Surfacing Commission. Early in 1974, the study began to chart and make recommendations for the construction of a network of surfaced roads which would be cost shared between municipalities and the Saskatchewan government. The commission is making recommendations for cost sharing of this network as well.

As per terms of reference, the size of the program would approximate 5,000 miles of first priority grid or super grid. The commission also recommends that approximately 3,500 miles of secondary grid roads be surfaced.

Mr. Speaker, I would like to turn now to a very important issue, I believe, in our economy and our society — the economic position of women in Canada. There have been a number of myths that have been perpetrated on women by our old line parties, Mr. Speaker — the Progressive Conservatives and the Liberals. They have done so to keep their archaic economic policies afloat. Mr. Speaker, I would like to discuss in some detail these myths. Myth number one, Mr. Speaker, is that working women are only secondary earners so it is not important if they are unemployed. Mr. Speaker, most working women are not secondary wage earners in Canada, 61 per cent of the females work is single, widowed, divorced separated or married to husbands who earn less than \$10,000 per year. These women are economically compelled to work to ensure the well-being of their families.

The second myth, Mr. Speaker, is that women are taking jobs away from men. Mr. Speaker, there is a growing attack on working women on the assumption that they have jobs that men should have. Mr. Speaker, a very high percentage of the unemployment amongst men is to be found in occupations in which females are not generally employed. The facts are, Mr. Speaker, that men and women generally find themselves in different job markets. It is obvious that the removal of women would not benefit today's unemployed males. Mr. Speaker, unemployment is not the fault of the women. It is the fault of the old time capitalist parties who have mismanaged our national economy so that it can no longer provide jobs for those who are willing to work.

Under the old parties women cannot win. If they enter the work force they are accused of taking jobs from men. If they give up looking for work that doesn't exist, they are accused of not wanting to work. Mr. Speaker, this confusing topic is rooted in successive Liberal and Tory governments' lack of commitment in working toward equal opportunities for women.

Mr. Speaker, on an average, working men receive more than twice as much as working women. Women are still channelled into low paying service jobs. Mr. Speaker, what has been true for Canada also has been true for Saskatchewan but we have begun tackling these problems on many fronts.

First of all, Mr. Speaker, Saskatchewan has the highest universal minimum wage in Canada. With so many people dependent on the salaries of women it is important that they be paid a living wage.

Secondly, we have established programs to develop more diversified career opportunities for women. The Government of Saskatchewan established the Women's Division in the Department of Labour and the Career Development Office in the Department of Finance in 1976 in order to ensure improvements in the status of women in Saskatchewan. We have decided to strengthen and expand our commitment to improving the situation of women in Saskatchewan by combining the two offices with an increased staff and mandate. This will ensure the development of a coherent and comprehensive policy and a plan of action for women. Responsibilities for the agency include:

1. Affirmative action programs in the public service and Crown corporations;

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2. Affirmative action programs in the private sector;
3. Review of the government legislation and programs to ensure that there is no discrimination against women;
4. Information and education programs to encourage equal opportunity for women;
5. Research;
6. Career Counselling
7. Administration for equal pay for similar work and maternity leave legislation.

In addition to the establishment of a unified agency committed to women, a vocational assistance centre will be established in the Public Service Commission to provide a career counselling service for all employees in the public service with special expertise in the counselling needs of women.

Since the establishment of the career development office a survey of all women working in government has been undertaken to inventory the skills and abilities of women employees and to determine the barriers to advancement they may have experienced.

The survey indicated that 75 per cent of all women employed in government are in three main occupational groups: secretarial, clerical and health (assisting occupations).

As a result of this survey it was decided that the major thrusts of the office should be career counselling and affirmative action programming. Through individual career counselling, career development workshops and the establishment of an administrative development diploma (the ADD program as it is called), a concerted effort was made to upgrade the skills of those women who felt that they were dead-ended in their jobs.

During the years of the existence of the office over 900 women were given career counselling. Numerous career development workshops were held in those departments with a heavy concentration of women. Approximately 30 men and women per year have been admitted to the ADD Program since it was established in 1976.

One may ask, Mr. Speaker, how are we going to provide jobs for all these careers? We are working on that. I'm confident we will be sending many more New Democrats to Ottawa when a federal election is held.

SOME HON. MEMBERS: — Hear, hear!

MR. LONG: — This effect will, I hope, shake the Liberals' and Conservatives' slavish

adherence to their tired old economic policies, the economic problems we have seen in Canada. Canadian people are demanding the same kind of economic sense in Ottawa they have seen displayed in Regina.

Mr. Speaker, once women establish themselves in a career they often face barriers to advancement. It was felt that the best means of eliminating any barriers to advancement and promotion experienced by women would be through the implementation of an affirmative action program. Development of such a program began in September, 1977.

In January, 1978 pilot programs began by the Public Service Commission and the Department of Consumer Affairs. Discussions have taken place with six other departments and three other Crown corporations with regard to implementing an affirmative action program.

Since the establishment of the women's division over 400 speeches and workshops have been conducted to inform the public, employers, employees and women in Saskatchewan. Seventy publications have been produced ranging from facts on women in the Saskatchewan labour force to coping with widowhood, to a life options kit for high school women. Through administration for equal pay for similar work and maternity leave provisions of The Labour Standards Act, women employees have secured equal pay for similar work and job protection while pregnant or on maternity leave.

Major research studies have been conducted on a variety of subjects including farm women, part-time work and women in employment. The pension plans in this country discriminate against women in many ways. Perhaps the most serious example is in the Canadian Pension Plan. For the woman who remains as a full-time homemaker in a marriage, the sharing of the Canadian Pension Plan benefit depends on the good will of her husband. She does not yet have the option of participating in the Canada Pension Plan as a contributor and a benefactor in her own right in spite of the contribution she makes to society, Mr. Speaker. Mr. Speaker, I agree with spokesmen like Stanley Knowles when they call for fair treatment of women by federal pension legislation. Mr. Speaker, women do their share of this nation's work and deserve decently financed retirement.

Mr. Speaker, in the area of matrimonial property we need legislation that will guarantee both spouses a fair settlement. This government will be introducing such legislation this session. Mr. Speaker, I would remind members opposite what happened to such legislation under a Tory government in Manitoba. The former NDP government had introduced bills on matrimonial property and family maintenance. It was the most progressive legislation dealing with marriage in Canada. What happened, Mr. Speaker? The Manitoba Tory government under the leadership of that paragon of right wing politics, that Ghengis Khan of the right, Premier Sterling Lyons' scuttled the legislation, Mr. Speaker! Mr. Speaker, that's what women's rights mean to Tories.

Mr. Speaker, I want to turn now for a few minutes to another area where the record of this government is extremely good but where the record of the Conservative Party is sadly lacking. That area is in health care. Mr. Speaker, the budget announced a number of new projects and a general strengthening of our medicare and hospitalization plans. I am interested in remarks made earlier, Mr. Speaker, on the other side of the House, remarks concerning the Conservative position on health care. All I can say, Mr. Speaker, is if they want to continue to discuss the Tory position on medicare and health

care, we are perfectly willing to continue the discussion. We are prepared to continue to remind them of the position their finance critic and the member for Swift Current (Mr. Ham) took. I expect there is further information to substantiate the Tory waffling on medicare. We'll give it to them if they want to continue to say, as some of them have, that our Premier and our party lied in the October election. I take offence to that and I think with justification. I say to the members opposite — explain away the comments of the member for Thunder Creek (Mr. Thatcher) and the member for Swift Current which have been put on record.

I say to members opposite what does your federal leader stand for? He says people are abusing medicare and we need a deterrent fee of some kind — check the Vancouver Sun of September 23, '76. I suppose, Mr. Speaker, he'll be the next Tory crying he was misquoted. In the provincial campaign you tried to bring a former Prime Minister to your rescue. He promised medicare to you in 1938, you told the people of Saskatchewan. Well I'll tell you, the Liberals promised medicare in 1921. We got medicare in Saskatchewan in 1962 under an NDP government . . .

SOME HON. MEMBERS: — Hear, hear!

MR. LONG: — . . . after a terrific battle, Mr. Speaker, in which the Conservative forces of this province fought tooth and nail. We got medicare in Canada, Mr. Speaker, not from a Conservative government that had the biggest parliamentary majority ever seen in this country; oh, no we got medicare, Mr. Speaker, from a lame duck minority Liberal government when Tommy Douglas . . .

SOME HON. MEMBERS: — Hear, hear!

MR. LONG: — . . . and the NDP were holding the balance of power with the hammer aimed at their heads. That was 45 years, Mr. Speaker, after the Liberals had promised it.

I say further to Tories opposite, who were the provinces that kicked up the biggest fuss about national medicare? Who were they, Mr. Speaker? They were Tory Ontario, one of the wealthiest provinces in the country and Manitoba, Mr. Speaker, with Tory Premier Roblin, who later almost won the national leadership of the Tory Party and has since gone to his reward in the Senate and on the board of the CPR. Mr. Speaker, Manitoba's Tory Roblin was the leader of the last province to come into medicare, dragging his feet all the way. That's how Tories believe in medicare. Joe Clark has served notice he thinks there's abuse and he thinks we need a deterrent fee. Mr. Speaker, the national Tory Party has served notice. At their annual meeting in March, 1974 they put themselves on record as favoring the transfer of all health costs to the provinces.

Mr. Speaker, we 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 . . .

SOME HON. MEMBERS: — Hear, hear!

MR. LONG: — . . . because, Mr. Speaker, their position in Saskatchewan and in Canada and in other provinces is the most dismal and miserable of any political party in Canada, with the possible exception of the previous free enterprise Government of Saskatchewan who they so closely remember.

Mr. Speaker, in the area of health care, as in other areas I mentioned earlier,

Saskatchewan is in good shape and our future is in good hands.

This budget, Mr. Speaker, the eighth budget of the Blakeney Government, is yet another indication of the health condition of our province.

Mr. Speaker, I will be supporting the budget.

SOME HON. MEMBERS: — Hear, hear!

WELCOME TO STUDENTS

MR. G. McLEOD (Meadow Lake): — Mr. Speaker, I would like to draw your attention to a the east gallery and introduce to you and to the other members of the Assembly a group of 40 Grade 11 and Grade 12 students from the progressive community of Goodsoil, which I might add is 400 miles from here. I think they should be congratulated for that, and their community as well, for their continued emphasis on education in that community in sending theses students this far. I would like to welcome them and have other members join me in welcoming them and their teachers, Ron and Margaret Mooreman and their every-trusty bus driver for many years, Carl Holford.

HON. MEMBERS: — Hear, hear!

The budget debate continues.

MR. H. SWAN (Rosetown-Elrose): — Mr. Speaker, as I rise today, to join the budget debate I do so with some apprehension, after listening to all of the catcalling that has been going on there this afternoon. I would like, perhaps, some of you should take time to listen. You might learn something over there. You just never know.

I have been very concerned as I listened to the budget speech and as I have listened to some of the debate. I was away for a couple of days to a SARM (Saskatchewan Association of Rural Municipalities) convention trying to learn other things. I come back and I find that you are still talking the same way, still saying that the idea of deficit financing is good. Mr. Speaker, I find this very difficult to understand.

I feel that any government, or any person, who operates in a deficit position year after year, is not destined to continue operating very long, but rather they are going to be looking at going out of business. A province can't go out of business, but it can change governments and governments can leave a very heavy tax debt to the next generation.

I am concerned about the young people in our province who are going to inherit that tax debt that this government is placing on them. I would hope that this government would start to think of financing on a base that would make us come out with a balanced budget and leave something in the kitty for future generations, other than debt.

I am concerned when I see anyone spending beyond his income. We have been doing that, in this province, faithfully it seems, for a number of years. I would like you to start to look at the provinces which operate with a balanced budget and see what their heritage fun look like in comparison to yours or to our. Ours is almost non-existent.

I would like to touch, briefly today, on revenue sharing as it relates to municipal governments. I was around in the area working with municipal governments at the time that they first began to talk about revenue sharing. The idea that they had was that they

would like to get into a form of financing that would, in good times, provide them with a windfall of profit so they would have a little bit in reserve; when the harder times come they would have something to fall back on. So they came to the provincial government to negotiate a revenue sharing contract.

Now, during the first year of that revenue sharing many of the municipalities in this province actually receives less money than they would have had they combined the grants they got on the year before. If that's revenue sharing, then I'm very concerned about the operation of our revenue sharing pool. I am pleased to see that there has been an additional amount of money put in the pool this year. With that additional amount of money the pool may be strong enough to carry the needs of municipalities. However, up until yesterday, many of the municipalities had not received notice of the amount of money they would receive under the new pool plan for this year. They're sitting back quite concerned and with apprehension because they're not sure that what they're going to get is going to be any different. It will still be below the inflationary costs they have experienced.

As the minister announced yesterday in Saskatoon, from here on the pool is established and there will only be indexing to keep up with cost of living changes. If this is the position of the government, then the revenue sharing had better be good this year. Otherwise you're going to see very many dissatisfied people around this province. Because, if they're in a break even position this year, they can look forward to nothing better than a break even position next year and the year after that and so on down the road. This is the concern expressed by the municipal people and, if you were talking to them, I'm sure you're hearing the same thing.

I think most of the people around the province in municipal work have appreciated the grid road program. Most of our province is now blanketed with reasonably good rural roads. However many of those roads were built as much as 21 years ago, and those roads are wearing out. The people in SARM (Saskatchewan Association of Rural Municipalities) are telling me that one of their greatest concerns is that they are getting no grant for the reconstruction of grid roads. The ones that need reconstruction are being left to go into disrepair. I would hope that the government is going to be able to sit back and take another look at its programs and, perhaps, transfer some of the money from the super grid plan back into the rebuilding of some of those grid roads. This is what the municipalities are asking for, and I think they have a good plan. They would like to see the super grid proceed but on a slower pace and maintain at least the grid road network they now have. So I would ask the government to look at this and consider putting some money into the rebuilding of grid roads.

I was listening today to the minister as he was speaking, stating that the federal government has now brought forward some money for capital building. I hope this is a good sign for the people in our municipalities that this government will also now bring forth a capital funding program. I've raised this concern in the House before and it is a concern, a serious concern, to most municipalities. The community capital fund does expire at the end of this month. Many of the municipalities in this province have used all the money they could receive under the community capital program. When I raised the question, I was told there was money in the community capital fund and some money under the culture and youth fund. But the municipalities that have already used their funding under these plans have nothing they can turn to. The municipalities that are going ahead, and have built and used all of their capital money, are going to have to sit back and wait. I'm concerned that, in good times in this province, the municipalities should be in that position. They're concerned and I would hope that the government is

going to take a look at this and make some changes.

Under the culture and youth program there've been quite a number of good sport facilities built around our province. They are assets to the province and to the communities where they have been built. However, there's no grant available for the maintenance and operating costs of these sport facilities. Once the thing is built, it's the duty then of the community it's in to finance it. With the increase in costs of power and maintenance, many of the municipalities in this province are finding their sport facilities are almost a ball and chain around their neck because they can't afford the necessary increase in their property tax to carry the day-to-day financing of these facilities. I feel that the government encouraged them to build; the government should also assist in the operation on an ongoing basis.

I'd like to mention another area and that was the promise that you made during the election campaign to rebate the education portion of the property tax to senior citizens. It sounded like a good program when it was announced. The people bought the program and elected you as government. But today, when we look at what you have proposed we see that, yes, there's going to be a rebate to the senior citizens of the education portion of their property tax. But first you deduct the property improvement grant which makes the gain very small. You guarantee a gain of \$50, a very small gain for senior citizens. I believe this government has deceived the senior citizens of this province by deducting the property improvement grant from the education tax rebate before they make the rebate. This has left the senior citizens with very, very little money out of that big rebate you promised.

I would like to touch briefly now on your Highway Traffic Board budget. It is with some concern that I read through the government estimates and I see that under the Highway Traffic Board there is an increase of \$1.8 million or approximately a 30 per cent increase in the operation. I'm more concerned as I look deeper into it and see that \$1.4 million of that increase has gone to the Saskatchewan Government Insurance Office (SGIO) for the administration of the Motor Vehicle and Drive Licensing program. Now both of those programs were around last year. We haven't accumulated that many more people this year. It seems like a very large increase to me and I am wondering, is it a real increase for that purpose or is it a grant and subsidy to the SGIO for other operating costs?

I notice in other places in the budget that there are fairly substantial increases. In one area I notice there is a 17.8 per cent increase in salary. That's a very significant increase. I would like to know why — something we'll be asking I'm sure when we come into estimates. I am not opposed to people getting a salary if they are doing a good job, turning out a good day's work. Everybody needs a good salary, but I think when you go to 17.8 per cent you are encouraging inflation, not stopping it. It is going to lead us into difficult times ahead.

I'd like to touch briefly on the heritage fund that was mentioned by my colleague. When I see the title 'heritage fund' it looks like something people should inherit down the road. Otherwise the title is a misnomer. That's not what I see happening. The fund has been depleted. You've spent it like drunken sailors and I believe that is it time for this government to take a look at its policies, to reassess the need to put money into that heritage fund and to maintain it as a fund for future generations.

I would like to touch briefly, as well, on the school grants. You know, we are in an

inflationary time and I think last year most of you will realize that inflation crowded almost 9 per cent. The school grant increase was announced as 7.6 per cent. In talking to a number of the systems around the province, I find that they are not getting an increase in grant but rather they are getting a decrease in grant on a year when inflation has been severe. With all of the operating costs of a school system going up and the grant going down, it is going to mean significant mill rate increases to many school systems in this province. I'm disappointed to see this type of grant going out. The particular system that I represent has fared better than most and our mill rate is lower than most. But for others where their mill rate was high before, this year they're getting a cut in grants; they're looking at seven or eight or nine mills across the province in many, many areas. Now that's a significant mill rate increase. Along with your reassessment that has taken place in many areas of this province, I find this is going to be a very costly year for many of the taxpayers around the province of Saskatchewan.

Mr. Speaker, I don't agree with many of the things that I read in this budget. I will not be supporting the budget.

SOME HON. MEMBERS: — Hear, hear!

MR. J. HAMMERSMITH (Prince Albert-Duck Lake): — Mr. Speaker, it's a pleasure for me to speak, particularly following the member for Rosetown-Elrose (Mr. Swan) and a little earlier, the member for Indian Head-Wolseley (Mr. Taylor) a particular pleasure to speak in support of the excellent budget presented by the Minister of Finance last Thursday.

The minister is to be congratulated, Mr. Speaker, on this most recent evidence of his skilful and responsible stewardship of the provincial economy. The budget inspires further confidence that the NDP Government in Saskatchewan, unlike other most provincial governments, unlike the Ottawa government, unlike the Lyon government in Manitoba, has the courage and the vision to move forward with new projects that will create employment and new initiatives that will provide stimulus to the private sector. This government, Mr. Speaker, recognizes that mindless restraint for restraint's sake alone holds no promise for the decade ahead and no promise for the people of Saskatchewan. And yet, Mr. Speaker, it's a responsible budget and in the words of the Minister of Finance a prudent budget. It's a budget recognizing the need to avoid pouring fuel on the flames of inflation, but also a budget creating 1,900 permanent new jobs and a further 4,600 jobs for young people. It's a budget that embarks on several new initiatives, expands and refines several existing programs and provides further tax cuts for the people of Saskatchewan. It does all this, Mr. Speaker, without adding to the civil service.

You know, among the other interesting aspects of the logic or what passes for logic evidenced from members opposite, they're fond of calling for cuts in the civil service. Well, I'm still waiting Mr. Speaker, to hear which sections of the civil service they propose to cut. The Leader of the Opposition in this House and members of his party have publicly expressed admiration for the policy of acute protracted restraint, that is the battle cry of the Lyon government of Manitoba. One may be forgiven for believing, Mr. Speaker, that Saskatchewan Progressive Conservatives, having professed great admiration for such policies, could be expected to implement them if this province were ever so negligent as to elect a Progressive Conservative government.

You know, Mr. Speaker, the Progressive Conservatives exercise a very strange kind of logic, if one can, just for a moment elevate the Conservative arguments to the level of logic. Only that party opposite, could conceive of the mental gymnastics which their

finance critic put forward on Monday as their current position on the heritage fund, and those with which other members have followed. Aha, they say, you are directing a \$328 million dividend from the heritage fund into the consolidated fund and you shouldn't do that; that's a bad thing. Yet, Mr. Speaker, only two years ago this month, they were saying a couple of things. They were saying, don't collect it; don't collect those taxes, and they were saying, but spend it all now; spend it on services — strange logic, Mr. Speaker.

On the one hand, they say, (and their finance critic said it on Monday) don't collect the money in the first place, and then they say, having not collected the money, don't invest it. If you do invest it, give away the assets you acquire — a variation on the Macdonald gift certificates — but give them to the people who already own them. Having given away the assets and having not collected the money, take the money you haven't collected and put it in the credit union. When you have put it in the credit union (they money you shouldn't have collected in the first place), which we wouldn't have invested in the future, take that money and spend it today. They have a lot of ideas about how to spend it. The other day, the member for Souris-Cannington, (E. A. Berntson) wanted to spend \$330 million on a research fund. That very day, his leader, the Leader of the Opposition, (Mr. Collver) went out in front of this House and suggested that he would spend \$94 million of it on the university students. In one afternoon they were spending \$424 million.

Today, the member for Indian Head-Wolseley, (Mr. Taylor) had a lot of places he wanted to spend some money. The member for Rosetown, (Mr. Swan) wants to spend a great deal more money, but he needs to communicate a little bit with the member for Moosomin (Mr. Birkbeck) who the other night, was describing why communities that accepted grants were irresponsible. Today the member for Rosetown wants them not only to accept those grants, but he wants us to provide some operating grants as well. At the same time, he doesn't want a deficit and he doesn't want to take any money out of the heritage fund. There is only one place to get it — you have to increase the taxes to individuals. Such arguments are not only strange logic, Mr. Speaker, they are best evidenced by the member for Moosomin (Mr. Birkbeck), they are contradictory, they are hypocritical and they are irresponsible.

SOME HON. MEMBERS: — Hear, hear!

MR. HAMMERSMITH: — I note that in the budget debate one year ago, Mr. Speaker, and I would suggest that it may be a good idea to remove the water glass from the member for Moosomin; it's highly improper to fuel a windmill with water. I note that in the budget debate one year ago, Mr. Speaker, that the member for Redberry (Mr. Banda), did a very thorough job of describing the Tory flimflam game. But they didn't listen to the member for Redberry and on October 18, they paid the price for that kind of arrogance. On Monday, the member for Thunder Creek (Mr. Thatcher), made an attempt to elevate that arrogance, made a valiant effort to claim that such arrogance was, according to the Tories, responsibility. One would've hoped that they would have listened to the message they received from the people of Saskatchewan on that day last fall. But they refused to listen even to that, Mr. Speaker. They returned to this House calling for cutbacks one day and more spending the next, less government initiative one day and more the next. This is strange logic, Mr. Speaker, Tory logic.

Mr. Speaker, I congratulate the government on the many initiatives in this budget, all of which will have a positive impact on the constituency of Prince Albert-Duck Lake and on the province as a whole. Lower income taxes for all citizens will not only put more

cash into the hands of all citizens, but will also stimulate the economy and have a positive effect on retail sales. Tories say that's irresponsible and they oppose that. New grants to renters, Mr. Speaker, are welcomed by the hundreds of people in my constituency who will benefit, just as it's welcomed by the 85,000 renters in Saskatchewan who will benefit. But the Tories say it's irresponsible and they oppose those measures. School tax rebates to senior citizens, mortgage assistance to homeowners, increases in family income plan benefits, more assistance to senior citizens in nursing homes, more assistance to students, all, Mr. Speaker, are positive steps to deal with the increasing costs of living and all are steps which will put hard cash into the hands of Saskatchewan citizens and help maintain a healthy and expanding economy. But they say it's irresponsible; they oppose that.

The most satisfying thing about all of these steps, Mr. Speaker, is that they will provide the greatest benefits to those who need them most, those on low and middle incomes. I'm proud, Mr. Speaker, to be a member of a party and sit on the same side of the House as a government that has always placed a high priority on providing the most assistance to those whose need is greatest!

SOME HON. MEMBERS: — Hear, hear!

MR. HAMMERSMITH: — This budget maintains that set of priorities and carries on that strong tradition. Those priorities and that tradition, Mr. Speaker, are reflected most prominently by the fact that a Saskatchewan family of four, with an income level of \$16,900 or below, will pay the lower income tax in Canada. That same family, with an income below \$12,100 will pay no provincial income tax. The Tories say it's irresponsible. The member for Moosomin (Mr. Birkbeck) said that he disagrees with that. He said that low and middle income people should pay more taxes — so he could pay less.

Another high priority of the Blakeney government, another strong tradition of the New Democratic Party, is our belief that the quality of life in Saskatchewan must be maintained and enhanced and strengthened. This budget maintains those priorities, Mr. Speaker, and it continues those traditions.

Approximately one-third of the people in my constituency are rural residents. They welcome the steps which broaden the eligibility for FarmStart. They welcome also the steps which will enable the land bank to make land available to more young farmers, extensions of the Farm Cost Reduction Program, the establishment of the Agricultural Research Fund, the rebate on the provincial portion of the capital gains tax and particularly the additional \$6 million in revenue sharing which will enable rural municipalities to hold their mill rates.

All these measures, Mr. Speaker, combined with the government's crowrate guarantee plan, combined with a strong defence of rural communities in the face of the Prairie Rail Action Committee's report will be welcomed by people in my constituency. All of them are programs, Mr. Speaker, attesting to the long-term and continuing commitment of this government to our roots in rural Saskatchewan.

But the Tories say these measures are irresponsible and by opposing this budget they oppose those measures to assist rural Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. HAMMERSMITH: — The evidence continues to flow from this budget, Mr. Speaker. It is evidence of our commitment to assure that all the people of Saskatchewan benefit from the development of Saskatchewan's resources with increased grants to schools and universities, an additional \$16 million for revenue sharing, a continuing commitment to the development of northern Saskatchewan and to enhancing and expanding the participation of northern people in that development, with significant new initiatives in criminal justice and not only maintaining, but also extending what is already the best health care system in North America.

However, Mr. Speaker, we often fail to recognize the impact of all this until we get down to some specifics and some comparisons. Allow me to refer briefly to a few of these from my own constituency. Let me start with a few examples from the Department of Social Services, a department often subjected to confused attacks from the members opposite. I say confused attacks because one day they come in here attacking the minister for not spending enough money and the next day for spending too much.

I want to refer to one program area in particular and I invite the members opposite to tell us with some precision and in some detail exactly where they would apply their passion for restraint. I speak now of grants to non-government agencies, programs that the Leader of the Opposition claimed, early in this session, were non-existent. In 1970 — 71, under the seldom missed free enterprise government, these grants in the constituency of Prince Albert-Duck Lake, totally \$214,000. Last year, under the Blakeney government and under the present Minister of Social Services (Mr. Rolfes) they totalled \$709,000 — an increase of 330 per cent, or 41 per cent a year. Where did this money go, Mr. Speaker? Big Brothers, \$6,000; Indian and Metis Friendship Centre, \$23,000; Mobile Crisis Unit, \$110,000; Native Co-ordinating Council, \$69,000; Youth Activity Centre, \$27,000; Big Sisters, \$5,000; Kinsmen Community Workshop, \$86,000; Duck Lake Senior Citizen Handicap Program, \$3,100; Duck Lake Legion Visiting Homemakers' Program, \$2900; Prince Albert and District Community Services Centre Homemakers' Program, \$114,000; Handyman Program, \$24,000 — these programs assisting citizens in the city of Prince Albert, a number of grants for operations and equipment for senior citizens' centres — grants to the Duck Lake Senior Citizens' Club, the McDowell Senior Citizens' Club, the Kinsmen Heritage Centre, Pineview Lodge, St. George's Ukrainian Catholic Parish.

Now, I invite those members, Mr. Speaker, to tell the citizens of Prince Albert-Duck Lake, which of those programs they would cut back. Big Brothers, the Indian and Metis Friendship Centre, Senior Citizens, the Workshop for the Handicapped, the Duck Lake Legion — which ones would they slash, Mr. Speaker?

The Leader of the Opposition and those members opposite are fond of suggesting that when the government decentralizes money, it only goes to boards of agencies, appointed or controlled by the government — NDP hacks. Now, I invite the Tories to tell this House which of the groups I have mentioned are the government controlled NDP hacks. The Kinsmen Club, Big Brothers, Duck Lake Senior Citizens, the Legion, which one?

The Tories suffer, Mr. Speaker, from what can charitably be called, a lapse of credibility.

Let me turn now to a few other specifics, Mr. Speaker, a few other comparisons. First, in the area of education, let us look at those school boards whose jurisdiction lies, in whole or in part, within the boundaries of the Prince Albert-Duck Lake constituency. In 1970-71, the last year of a government professing and practicing the philosophy of

members opposite, those boards received \$4.4 million in operating funds, and \$89,000 in capital funds from the provincial government, a total of \$4.5 million. Last year, under the NDP, total operating grants were \$14.7 million and total capital grants were \$573,000. That's an increase of \$10.3 million in operating grants, or an increase of 234 per cent. The increase in capital grants was an even more dramatic 544 per cent, or 68 per cent a year. Now, is this the area where they would cut back, Mr. Speaker? They haven't said.

Well, let's look at payments to hospitals. In 1970-71, in the city of Prince Albert, those payments totalled \$4.8 million. In 1978-79, they totalled \$12.3 million, an increase of \$7.5 million. That was a 156 per cent. Do you know what the Tories called that? They called that a cut back — strange logic, Mr. Speaker. Capital grants were \$573,000. That's an increase of \$10.3 million in operating grants or an increase of 234 per cent. The increase in capital grants was an even more dramatic 544 per cent of 68 per cent a year. Now, is this the area where they would cut-back, Mr. Speaker? They haven't said. Well, let's look at payments to hospitals. In 1970-71, in the city of Prince Albert, those payments totalled \$4.8 million. In 1978-79, they totalled \$12.3 million — an increase of \$7.5 million. Do you know what the Tories — that was 156 per cent — and do you know what the Tories called that? They called that a cut-back. Strange logic, Mr. Speaker.

Of particular note in the area of health care has been the support given to and the performance achieved by the Prince Albert Co-operative Health Centre, Saskatchewan's first community clinic. The clinic was established during the medicare crisis of 1962 and it played a vital role in bringing medicare to Saskatchewan and thereby to Canada. The Prince Albert clinic is built on a partnership, a partnership between the providers of health care, the doctors and the consumers of health care services, the patients. During the lean years between 1964 and 1971, the government of the day made every effort to force this partnership out of business. They disapproved of a co-operative relationship between members who own the buildings and equipment and doctors who provide the service. But the clinic survived the overzealous free enterprise years, Mr. Speaker. Under the Blakeney government, it has not only survived but has had the support and encouragement necessary to go on to break even further new ground in the delivery of health services. At this present moment the Prince Albert clinic is involved in a major new expansion of its facilities, an expansion which will make available an even wider range of services than are now delivered. But even more important the clinic has recognized that health means preventing illness. Community nursing services have been expanded into a family health worker program ensuring patients not only a continuity of medical and nursing care but also social and emotional support services for families. A new program is that of community nutritional services providing individual patient counselling as well as imaginative, demonstrative, health-positive programs in schools, daycare centres and now on some Indian reserves. The clinic has been instrumental in establishing group health programs such as diabetic classes, a diabetic club, no smoking classes and physical fitness classes. They have begun a self-help program for single parents and initiated prenatal classes for single mothers. A LIFE program promotes people's active interest and participation in their own health care. Perhaps the most encouraging has been the response of volunteer groups associated with the health centre. One such group, a little over a year ago, raised over \$14,000 to purchase a gastroscope and colonoscope.

Another volunteer group arranges and conducts tours for elderly and handicapped patients to help keep seniors active, interested and out of hospitals — a record of

success, Mr. Speaker, under the administration of a locally elected board, responsible to the membership. And where do the Tories stand on this issue, Mr. Speaker? Do they believe, as their leader charged during estimates last year, that this local group is extravagant, inefficient and a waste of money? I would like him to tell this House, to tell the people of Prince Albert-Duck Lake and to tell the people of Saskatchewan precisely what their policy toward community clinics would be.

Over the five-year period, from 1974 to 1979, the community capital fund poured \$2.3 million into the Prince Albert-Duck Lake constituency to assist with such projects as storm sewers, street improvements and paving, an indoor swimming pool, a new fire hall, repairs to the viaduct, water mains, a senior citizens' recreation centre, a new court building, a new fire truck in the R.M. of Duck Lake; a recreational centre in MacDowall. Which of these would the PCs eliminate, Mr. Speaker?

The Department of Culture and Youth has provided over \$700,000 in cultural and recreational facility grants for rinks, recreation centres, sports fields, tennis courts, playgrounds, an arts centre and the like. Which of these would they cut back? Those are only a few of the specifics, Mr. Speaker, that have had an impact on the constituency, but the list could go on and on. And all of these programs, all of these projects, are administered by local authorities.

Turning again, to the current budget, Mr. Speaker, it is important to re-emphasize that fully two-thirds of that budget will be spent by such local authorities. Only one-third will be spend on government directed programs. I think it is fair to presume that if the search and destroy strategies advanced by members opposite were applied, at lease some of them would have to be applied to local governments, individuals and other third parties. I repeat my invitation to the Conservatives to let us know and let the people of Saskatchewan know where they would do the slashing. Would they reduce the \$16 million for revenue sharing, or the \$16 million for farmers, or the \$15 million for the senior citizens on the school tax rebate, or the \$7.5 million for renters, or the \$16 million in operating grants for schools, or the \$5.9 million for universities, or the \$24.5 million for hospitals? By opposing the budget they oppose all these measures.

Finally, Mr. Speaker, I wish to commend the government for maintaining its long-term strategy for keeping the economy healthy and growing and keeping Saskatchewan's unemployment rate among the lowest in Canada.

Many capital expenditures, which could have been made at a time when the national economy was more buoyant than it has been recently, were deliberately not made. Now, with the Canadian economy generally, in a more sluggish period, Saskatchewan has reduced the impact of national down turns by initiating capital expenditures, which stimulate the provincial economy presently and which provide valuable assets for the future. Two important benefits of this strategy, Mr. Speaker, have been the creation of much-needed jobs and the provision of stimulus to the private sector, particularly the construction and retail sectors. The benefits of this long-term strategy are very evident in the city of Prince Albert, Mr. Speaker, where, in addition to the more than 250 new businesses opened between 1971 and 1979, we've had recent announcements of two major retail and commercial developments which together will cost over \$22 million. We had another announcement last week of a \$46 million project to upgrade, renovate and modernize the Prince Albert pulp mill.

These initiatives by the private sector, Mr. Speaker, combined with capital spending initiatives taken by this government, have meant the continuation of a growing and

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expanding healthy economy in the city of Prince Albert. This year will set an all time record for construction in Prince Albert and further north an all time record for construction in the town of La Ronge. The Blakeney government took the initiative, Mr. Speaker, by showing confidence in the future of Prince Albert and in the future of northern Saskatchewan and the private sector has responded.

The budget, truly, to quote the Minister of Finance again, 'sets the stage for a new decade of progress'. I again congratulate the minister. It will be with a great deal of pride that I will be supporting the motion and I ask you to let me call it 5 o'clock.

SOME HON. MEMBERS: — Hear, hear!

The Assembly adjourned from 5 until 7 p.m.