

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Nineteenth Legislature**

**March 20, 1980**

The Assembly at 2 p.m.  
On the Orders of the Day

**WELCOME TO STUDENTS**

**Hon. A.E. Mr. Blakeney** (Regina Elphinstone): — Mr. Speaker, it is my pleasure to introduce to introduce to this House and to welcome to this House students from St. Luke School in the Elphinstone constituency. They are about 35 in number and they are here with their principal, Mr. James Frolick, and one of their teachers, Mr. Ron Szysky.

I expect to have an opportunity to visit St. Luke School in April in connection with our Celebrate Saskatchewan presentations. I expect also to be seeing them a little later this afternoon. I hope that the young people who are visiting with us will enjoy their visit and find it helpful in their studies. We welcome you.

**Hon. Members:** — Hear, hear!

**Hon. W.E. Smishek** (Regina North-East): — I would to welcome to the legislature a group of 23 students from the Haultain School. They are Grade 8 students. They are accompanied by their teacher, Mr. Marchuk. I hope that their visit today to the legislature will be another good experience in life, and particularly help them out in their social studies.

About a month ago I had an opportunity to visit Haultain School. It is always an interesting experience to visit that school, particularly because of some of the activities they have going on in the cultural area. They put on an excellent concert. When I visited the school I presented them with our Celebrate Saskatchewan buttons. This afternoon I hope to visit with them a little later and present them with a book on the pictorial history of Saskatchewan. We welcome them to the legislature and hope they have a good afternoon.

**Hon. Members:** — Hear, hear!

**INTRODUCTION OF GUESTS**

**Hon. E.B. Shillington** (Regina Centre): — Thank you, Mr. Speaker. I want to welcome to the legislature and to Saskatchewan, 25 young people who are seated in your gallery, Mr. Speaker. They are from all across Canada, here for the Regina Church Basketball League.

I hope the young people are enjoying their stay in Saskatchewan. I think we will want to wish them a good stay and wish them the best of luck with their athletics as well.

**Hon. Members:** — Hear, hear!

**Mr. J.G. Lane** (Qu'Appelle): — Mr. Speaker, I would like to introduce to the Assembly, through yourself, the McLean-Qu'Appelle Cubs who are seated in the east gallery. There are 27 Cubs; there are two Scouts and they are accompanied by Bernadette Mysko, Louis Denis, Shirley Priddell, Nick Sanson, Christine Dodd and Annette

Jardine.

I would like to commend those who are accompanying the Cubs and Scouts. You deserve special credit for taking your own valuable time, and contributing to such a worthy effort. I know the Cubs appreciate it, and I am sure it is well respected within the community. I hope that all members will join me in welcoming them, and I hope it is an entertaining and interesting afternoon. I look forward to meeting with them later.

**Hon. Members:** — Hear, hear!

**Mr. C.B. White** (Regina Wascana): — I would like to join the Minister of Culture and Youth in welcoming the 25 people from outside the province who are seated in the Speaker's gallery, along with their chaperone.

The young people here today are members of basketball teams from Ontario. In the city, as well, will be basketball teams from as far east as Halifax and as far west as Victoria. They are in Regina to take part in the annual spring classic, a basketball tournament sponsored by the Holy Rosary Knights of Columbus.

Taking part in the tournament, a four-day tournament, are a total of 18 teams from outside of the city and 6 from Regina. Members of the Regina teams are drawn from the public and separate schools across the city. Half of the 22 teams, by the way, is made up of girls and half is made up of boys. They are all 16 years of age and under. For the information of the House I would like to point out that games are being played each evening starting at 6:30 in the gyms at Balfour, Miller and Central Collegiates. I will be meeting with them in the rotunda after the question period. Thank you.

**Hon. Members:** — Hear, hear!

## QUESTIONS

### Hotel Saskatchewan

**Mr. W.C. Thatcher** (Thunder Creek): — Mr. Speaker, a question to the Premier in the absence of the minister of SEDCO, who may have ducked the period — I don't know. Mr. Premier, a couple of days ago a situation which you termed a hypothetical arose in this Assembly so perhaps it is appropriate that I go to you with this question. I don't know whether the Premier is aware that today an announcement was made that the director of corporate affairs and, reportedly, the president of the Potash Corporation of Saskatchewan are involved in the purchase of the Hotel Saskatchewan. The announcement has come that the hotel has been sold to a group headed by Mr. Waters, Mr. Gundy, and reportedly, as I indicated, Mr. Dombowsky. My question to the Premier is this. Will the Premier in the absence of the minister of SEDCO assure this Assembly that SEDCO is not involved in this transaction in any way, shape or form — and that includes a loan, a guarantee, a grant or a letter of intent? In other words, that it is free and clear of this transaction?

**Hon. A.E. Mr. Blakeney** (Premier): — Mr. Speaker, with respect to SEDCO, I have no knowledge of any involvement by that corporation. With respect to the preamble concerning the Potash Corporation of Saskatchewan, I'll ask my colleague, the chairman, to add to what I have said.

**Hon. J.R. Messer** (Minister of Mineral Resources): — Mr. Speaker, I made it clear when the subject was raised in this Assembly last that certainly Mr. Dombowsky was

not in any way involved in the purchase of the Saskatchewan Hotel. The member should be criticized for continuing to allude to Mr. Dombowsky's being involved. He should be chastised for that and I again convey to this Assembly, Mr. Speaker, that the present, Mr. Dombowsky, is not in any way involved in the purchase of the Saskatchewan Hotel. I was informed today that the purchase of the hotel has indeed been concluded, and that Mr. Waters, who is an employee of the Potash Corporation of Saskatchewan, has given notice that he will be leaving the corporation at the end of the month.

**Hon. Mr. Thatcher:** — Supplementary question, Mr. Speaker. Perhaps the Premier has some difficulty in appreciating the question. Mr. Speaker, without being forced to sit down, or lose my question, I would like to repeat to the Premier. Will the Premier assure this Assembly that SEDCO — in the absence of the minister in charge — is not involved in the fashion I described. Furthermore, Mr. Premier, in light of the minister's answer from a couple of days ago, in which he indicated that no formal application had been received and that he had no knowledge of any potential involvement of SEDCO, will you assure us that if SEDCO ultimately does turn out to be involved you will sack the minister in charge?

**Mr. Speaker:** — Order, order! I'll take a new question.

**Hon. Mr. Thatcher:** — New question, Mr. Speaker. My question to the Premier is simply that, if SEDCO is involved will you first assure us . . .

**Mr. Speaker:** — Order, order!

### **Moosomin Judicial Centre.**

**Mr. L.W. Birkbeck** (Moosomin): — I would direct a question, Mr. Speaker, to the Attorney General, and I raise the question out of a concern for my own riding and in fact my own hometown. Mr. Speaker, It's a very serious concern to not just my riding and my hometown but to many other areas in the province of Saskatchewan. It's more pertinent because of this year, our 75th year. Therefore, Mr. Speaker, I would direct the question to the Attorney General. It has been brought to my attention that the judicial centre in Moosomin will be closed as of April 30. I would like to know if there is any action you can take in the course of the next few days to reverse this decision?

**Mr. Romanow** (Attorney General): — Mr. Speaker, no final decision has been made with respect to judicial centres as yet. Part of our package of announced court revitalizations will involve a reorganization of some judicial centres. I'd be pleased to receive the members' representations later in writing, or otherwise, and consider them at that time.

**Mr. Birkbeck:** — Supplementary, Mr. Speaker. It has been brought to my attention upon looking at the map, Mr. Speaker, that for any business that people would require from a judicial centre like the one in Moosomin they would have to travel at least 80 miles to 90 miles in Saskatchewan. The only one closer would be Virden in Manitoba. Mr. Speaker, I would ask the Attorney General this question. Is this part of, or a result of, your government's rural development program?

**Mr. Romanow:** — Mr. Speaker, clearly the hon. member is not interested in making serious representation to me on behalf of his constituents on this matter. I have offered that option to him; I offer that to all the members of the opposite side. I tell them again, no decision has been made in this area. It's very much open and I can only repeat what I

said earlier. If he wants to raise it with me, I would be very pleased to pursue it with him.

**Hon. Mr. Andrew** (Kindersley): — Supplementary to the Attorney General. Mr. Attorney General, I am advised that not only the court house in Moosomin but the court house in Arcola and also the court house in Kerrobert (which again is a very historical court house dating back to the beginning of our province) are in the mill to be turned down. In fact the employees of that court house have been given their notice. Indeed it is the practice or intention of the government to close that court house, plus the fact is that the law society was never consulted nor the Kerrobert Bar Association and the town of Kerrobert was not advised of this. Can you indicate to the House whether or not employees of those court houses have been terminated?

**Mr. Romanow**: — Mr. Speaker, I am not able to advise the member whether employees have been terminated. I would say that Arcola is in a very special circumstance. Arcola has always had a very, very low source of judicial activity. There have been a number of plans in the past and suggestions that perhaps the best way to handle Arcola would be for the termination of it. It is in a different category than the question of a Moosomin or Kerrobert. The plan is not to close down the Kerrobert Court house. The plan is to keep the Kerrobert Court House, to keep employees at the Kerrobert Court House, but there may be a reorganization of functions.

### **Sale of Hotel Saskatchewan**

**Hon. Mr. Thatcher**: — Mr. Premier, are you prepared to assure this Assembly today that the Crown corporation known as SEDCO (Saskatchewan Economic Development Corporation) is not involved in any way, shape or form with the announced purchase of the Hotel Saskatchewan today by the employees who have been discussed earlier in this question period?

**Mr. Blakeney**: — Mr. Speaker, as the minister in charge of the potash corporation has indicated, the word is singular, employee not employees. Secondly, with respect to SEDCO, I have no knowledge that SEDCO is involved. I will not give the House an assurance that I cannot give since I have no personal knowledge of SEDCO involvement. I would be very surprised indeed if SEDCO was involved, and I think by next week at this time we will find the allegations that SEDCO was involved are the same types of allegations we heard with respect to the Regina General Hospital and other allegations, totally without foundation.

**Some Hon. Members**: — Hear, hear!

**Hon. Mr. Thatcher**: — Supplementary question. Will the Premier assure this Assembly that should SEDCO be involved, and I emphasize the words should SEDCO be involved, in the light of the minister's answer two days ago, severe action would be taken by the Premier against the minister?

**Mr. Blakeney**: — Mr. Speaker, I think that it would be prudent to find out first whether SEDCO is involved, and secondly the nature of the involvement before discussing what action should be taken as a result of an involvement which may or may not be there but which I suggest is not there.

**Hon. Mr. Thatcher**: — Will the Premier undertake to advise himself as to what his ministers may be doing in this area, not only in SEDCO but also in regard to the co-op fund which may also be involved in financing of various types, whether or not it is in this case, and

will the Premier avail himself of this information that we may address this question to him tomorrow, should the minister in charge of SEDCO not be in his chair tomorrow?

**Mr. Blakeney:** — Mr. Speaker, if the member will allege any fact, if he will allege that SEDCO was involved, if he will allege that there is any measure of impropriety, then I think it would be appropriate to ask minister to go around and look at the facts. But when we are dealing with something that is not, so far as I am aware, alleged to be a fact or even reported to be a fact by any responsible person, then the question is whether or not we should be spending our time informing ourselves to answer every question which hon. members raise on no basis — and they don't allege any basis. I think, therefore, that hon. members have a duty to his House to have some basis for making allegations before they ask ministers to investigate them.

### **Resignation of Senior Official**

**Mr. J.G. Lane** (Qu'Appelle): — You have just indicated that you have received the resignation of a senior official because of involvement in the acquisition of the Hotel Saskatchewan and that termination of employment would take effect at the end of the month. A very, very senior (and I suggest important official) has in fact given the minister approximately ten days notice of termination. Would the minister not admit that he has had, in fact, advance warning of the plans of the officials and misled this House last week as to his knowledge of what his employees were doing?

**Mr. Messer:** — Not at all, Mr. Speaker, And again we find the members alluding to something without any factual basis whatsoever. I told this House last week that we were knowledgeable of a member having an interest in the acquisition of the Hotel Saskatchewan but there was nothing definite about it at that time. I do not, as the chairperson of the Potash Corporation of Saskatchewan, run that corporation. The official in question has conveyed his intentions to the president of the Potash Corporation of Saskatchewan who has weighed the decision of that individual and decided that it would be reasonable for the official to leave at the end of the month, and I see nothing wrong with that. I should also point out to this House that there is no direct conflict of interest with an individual wanting to acquire a business on his own time in order to start up a business independent of his employment with the Potash Corporation of Saskatchewan.

### **Government Response to Harvest Program**

**Mr. Lane:** — Mr. Premier, I have a news release from Information Services. Saskatchewan Economic Development Corporation is the Crown corporation of some record. The heading is unfair treatment by the CBC and to quote, and I am referring from the quotations actually used in the press releases as to the reason why SEDCO did not take action against the CBC for the TV program Harvest:

The problem with taking court action against CBC, according to the SEDCO statement, is not the strength of SEDCO's case but the futility of burdening the taxpayers who had ultimately paid for the network's inaccurate production.

Is this a fair statement of the principle of the government and the reason for its refusal to take court action against CBC on the Harvest program?

**Mr. Blakeney:** — That's a fair statement on the views of SEDCO on that matter. I'm not

here to share my views. If you're asking what the policy of the Government of Saskatchewan is, I will be happy to give you that. I will respond to the question. The policy is, where we the Government of Saskatchewan or one of its agencies, would be suing the Government of Canada or one of its agencies, on a matter such as defamation, libel, slander, etc.; we would seek to resolve that difficulty without putting each of the governments through the cost of a court action, because, obviously each is going to have to be paid for by the same group of taxpayers.

**Mr. Lane:** — Mr. Premier, I wonder if you would advise this Assembly what actions you took to resolve the differences between your government, through SEDCO, and the CBC because of the Harvest program? We note the extreme position taken by SEDCO at the outset that they were defamed and I would like you to detail now the negotiations or what efforts you have made to resolve these differences.

**Mr. Blakeney:** — Mr. Speaker, the hon. member asks me to detail what contacts may have been made by any government employee with the employees of the CBC with respect to this matter. I am sure that he does not expect me to give him detail.

I can tell the hon. member that there have been contacts between persons in the Government of Saskatchewan and officials of the CBC. We have felt it not appropriate to proceed with any legal action. That is my judgment. I don't know what judgment SEDCO has made and we have not given a direction to SEDCO in this regard, as far as I am aware. I have not. I think the judgment not to proceed was a sensible one, in the light of the CBC's statement in print — and I gather otherwise — that they do not assert that the details in the CBC story were in any way factual. They have been saying and saying very frequently that they are in fact fictional.

### **Suing of Federal Crown Corporation**

**Mr. Lane:** — Would the Premier not admit that we have a highly dangerous precedent — the statement being that the reason SEDCO won't sue another federal Crown corporation is because it is the taxpayers who would ultimately pay?

Would the Premier not admit that it is a highly dangerous precedent? I propose to say that, should we be in a situation in the future where Eldorado Nuclear of Canada has breached Saskatchewan environmental regulations, the Government of Saskatchewan would hesitate to sue and attempt to negotiate, or would hesitate to sue . . .

**Mr. Speaker:** — Again, the member is getting into possibly a very hypothetical situation. I wonder if the member can adjust his question to the current situation.

**Mr. J.G. Lane (Qu'Appelle):** — Would the Premier admit that this particular proposal, or position, of SEDCO as an aberration will not be government policy as we proceed on an area of uranium development being closely involved with the federal Crown corporation?

**Mr. Blakeney:** — Mr. Speaker, it is I think obvious to anyone, with the possible exception of the member for Qu'Appelle, that a criminal prosecution in breach of an environmental violation is a very, very different thing than suing someone for defamation.

Clearly the public of Saskatchewan is not going to suffer any irremediable damage because SEDCO's reputation is brought into question. Just as clearly, the public of

Saskatchewan would suffer if Eldorado Nuclear did not adhere to environmental safety regulations.

My earlier answer made clear that I was talking about matters of defamation. I think, with respect to defamation, I continue to question whether or not the taxpayers of Saskatchewan wish to see the Government of Canada and the Government of Saskatchewan litigating the issue of whether or not the one has defamed the other. I think that is a very different question than the breach of environmental regulations and I can give the member every assurance that in so far as the Government of Saskatchewan is concerned, we will pursue the criminal and quasi-criminal law, against agencies of the federal Crown as we would against any citizen.

### **Signing of Mortgages of Low-Income Housing**

**Mr. D.G. Taylor** (Indian Head-Wolseley): — Mr. Speaker, my question is to the minister in charge of Saskatchewan Housing Corporation. Mr. Minister, it has been brought to my attention that many people in Saskatchewan in the low-income housing projects in this province have not had their mortgages signed and, therefore, they are not eligible for the property improvement grant or the mortgage interest rate rebate. When are you going to get around to signing these so these people can take advantage of these programs that you have promised to them?

**Hon. W.E. Smishek** (Minister of Municipal Affairs (Urban)): — Mr. Speaker, I don't quite understand the hon. member's question. I don't sign mortgages. I am wondering whether the hon. member has received some information that may be inaccurate. I would be prepared to discuss it with him but I really don't understand his question.

**Mr. Taylor:** — Mr. Speaker, if I received it, it was from your department this morning. The case is that these people have to have their mortgage signed. They are paying on their homes. When that mortgage is signed then they are eligible for those, and until it is signed they don't get these programs. These programs are to help these people. When are you going to help them so they can have these valuable programs?

**Mr. Smishek:** — Mr. Speaker, obviously the hon. member has not informed himself. We do not sign mortgages. Anybody buying or purchasing a house arranges for the mortgage. The housing corporation or I as a minister, do not arrange for mortgages for people in order that they can get any kind of credit or benefits of any grants. It's up to the individual to arrange their own mortgages.

**Mr. Taylor:** — Go ask the banking friends.

### **Grant to Association Culturelle Franco-Canadienne**

**Mr. Lane:** — A question to the minister responsible for continuing education. The Association Culturelle Franco-Canadienne received a \$55,000 grant in the last public accounts, 1978-79. In light of statements made by one particular organization that in fact they are urging a yes vote on the Quebec referendum, an endorsement of separation in Quebec, would the minister give the assurance that such an organization is not receiving any grant from the province of Saskatchewan or if so, that it will be terminated immediately?

**Hon. D.F. McArthur** (Minister of Education): — Mr. Speaker, I could not give the hon. member an assurance that the ACFC in Saskatchewan is not receiving any grants from

the Government of Saskatchewan. As the hon. member has pointed out, in the previous fiscal year there was a grant provided to them and that is for a continuing program that they are engaged in. I am certainly reviewing grants before I allocate them. It is not my intention at the present to terminate any of their grants for utterances they may have made.

**Mr. Lane:** — Mr. Minister, in fact you are endorsing, are you not, their actions through government funding and taxpayers' money, urging a yes vote to separation in Quebec?

**Mr. McArthur:** — Mr. Speaker, I am not endorsing the position of that organization. I think, as the hon. member is well aware, we provide grants to many organizations as a government. The provision of those grants is by no means an endorsement of the position taken by that organization, or any organization, on positions or utterances they may make. In the case of the hon. member's allegation that I, as a result of being associated with such grants, am supporting them in their statement is clearly ridiculous. I think statements made by all members of this side on this question clearly show that statement is ridiculous.

**Some Hon. Members:** — Hear, hear!

#### **Administrators for Lakeside Nursing Home (Wolseley)**

**MR. H.J. SWAN** (Rosetown-Elrose): — I'd like to ask a question to the Minister of Social Services, and he's not here. I hope someone else will pick it up.

The Lakeside Nursing Home at Wolseley has been operating on a budget in excess of a million dollars and they have been without an administrator for some 10 months. I'd like to know what is the department doing to fill the position at the nursing home?

**Hon. H.H. Rolfes** (Minister of Health): — Mr. Speaker, I will answer on behalf of the minister who this morning is in the cabinet office in Saskatoon meeting with constituents of Saskatchewan. I think the Minister of Social Services indicated to the member for Indian Head-Wolseley the other day that they did experience some difficulty in attracting a qualified individual as administrator and they are actively recruiting at this particular time. It was his desire, he stated at that time and he was hopeful they would be able to fill that position in the very near future.

#### **ADJOURNED DEBATE**

#### **BUDGET DEBATE**

The Assembly resumed the adjourned debate on the proposed motion of Mr. Tchorzewski (Minister of Finance) that this Assembly do now resolve itself in the committee of finance and the proposed amendment thereto by Mr. Rousseau (Regina South).

**Mr. D. Lingenfelter** (Shaunavon): — Mr. Speaker, it is both a pleasure and an easy task to discuss the merits of the budget announced by Finance Minister Tchorzewski. It is a pleasure because the budget continues the Blakeney's government's tradition of sound economic management and it is easy because there are many merits to be discussed. The old maxim that it is much easier to praise than to criticize has been borne out by the performance of the members opposite. They have demonstrated how difficult it is to criticize something good by their inept performance. Instead of the



constructive criticism which an opposition is supposed to provide, we have heard nothing from them but gloom and doom and about how bad things are — gloom and doom, Mr. Speaker, despite the fact that every important observer agrees that Saskatchewan's economy has never been better and that the budget will keep it that way.

Mr. Speaker, there are number of old sayings that come to mind when one listens to the opposition whining about the budget. There is none so blind as he who will not see, comes to mind and so does, in a country of the blind, the one-eyed man is king. So does, to err is human, to err again divine.

**Some Hon. Members:** — Hear, hear!

**Mr. Lingenfelter:** — Mr. Speaker, a great deal has been said about the budget's being balanced. I agree that this is an important and laudable achievement by the Blakeney government, though I do not think it is the most important feature of this budget.

Balancing the budget is a praiseworthy achievement in Saskatchewan's case because it comes about as result of long-term, careful economic planning. It has been accomplished without increasing taxes on the province's citizens and without cutting back on government programs and services. Because when the balancing of a budget becomes the be-all and end-all of a government, when it means imposing crushing taxation burdens and slashing essential services, then it becomes a dangerous and destructive obsession.

One does not need to look very far for examples of balance-the-budget-at-all-cost syndromes. Sterling Lyon has given us an unpleasant example in Manitoba of what happens when social programs are hacked apart in the name of balancing the budget. The elderly, the sick and the helpless poor are made to suffer. Programs which have taken decades to build are destroyed. Lyon has given us an example of what happens when government slashes spending with no consideration of the effects on the economy. He has managed to create a recession in Manitoba while the other provinces in western Canada are experiencing booms. Ask any victims of the record number of bankruptcies in Manitoba last year what they think of balancing the budget at any cost. Even Lyons's folly in attempting to sell out the people of Brandon and dumping McKenzie Seeds was probably motivated by the same obsession. No amount of stupidity is impossible when the sum total of a government's economic policy is "balance the budget."

That is why I said earlier, Mr. Speaker, I do not believe that whether or not a budget is balanced is the most important feature. One must look to see whether or not the budget fulfils the government's obligation to maintain and expand services to its citizens. The question must then be asked: does the budget provide for a growing economy and continued prosperity? Next, one should check to make sure that a budget does not impose any new crushing tax burdens on its citizens. Only when a budget has satisfied all these requirements should the question of whether or not it is balanced be asked.

This budget does satisfy all these requirements and it is balanced. That, Mr. Speaker, is a remarkable achievement by the Blakeney government.

**Some Hon. Members:** — Hear, hear!

**Mr. Lingenfelter:** — Mr. Speaker, there are many good pieces of news in this budget for the people of my constituency. The 13.7 per cent increase in the Saskatchewan Hospital Services Plan and the inclusion of 14-year olds in the dental plan are good news for all residents of the province. Well, perhaps not quite all. There are a few people I mentioned earlier who seem quite upset about good news and who sometimes cannot quite hide their disappointment that Saskatchewan is doing so well. But putting the few nay-sayers and gloom merchants aside, the maintenance and expansion of government services and programs and the strong economy that this budget promises gives the people of Saskatchewan much to celebrate in their 75th year.

Mr. Speaker, I will not take the time today to review all the highlights of the budget. That has been done in an excellent fashion by the Minister of Finance, Mr. Tchorzewski, and several other members of this Assembly. Instead, I will take a few minutes to look at what the budget contains for my constituency. In total \$6,736,000 has been committed in direct spending in the Shaunavon constituency this fiscal year. The Department of Agriculture will put \$45,000 into grazing lease improvements and community pastures. Government services will spend almost \$20,000 in renovating the Shaunavon courthouse. The Department of Industry and Commerce will contribute to store-front renovations under the Main Street program. The Saskatchewan Housing Corporation will continue its service to the Shaunavon constituency with a \$108,000 land assembly program in Frontier. The Department of Urban Affairs will be contributing over \$205,000 through programs including phase 2 of the community capital fund, the municipal water assistance board, the neighborhood improvement program as well as the community services contribution program.

The Department of Rural Affairs will provide \$1,348, 000 for the construction and maintenance of farm access roads and bridges. Finally, the most significant direct government expenditure in my constituency this year will be made by the Department of Highways. In all, 4.8 million has been committed to the highway department for various projects in the Shaunavon constituency this fiscal year. This includes nearly \$2 million which will be spent on various sections of upgrading No. 13 Highway into a first-class interprovincial highway. Nearly \$3 million was spent last year upgrading No. 13 Highways and the very significant expenditures planned for this year will do much to hurry along a project that will be welcomed by the residents of southwest Saskatchewan. Not only will upgrading No. 13 Highways be a great convenience for residents of the area who want to travel east or west in Canada, but it will also provide a real boost to the economy of the area by increasing tourists, transport and other businesses.

Mr. Speaker, at a time when some would claim that the strains on the Canadian confederation are growing, it is appropriate for me to point out that the development of No. 13 Highway as a third interprovincial link not only draws us closer to our neighboring western provinces but it also draws us closer to all of Canada by providing another link in the transportation system that we are so dependent upon. I look forward with my constituents to the visit from fellow Canadians from both central and eastern Canada that developing No. 13 Highways will bring to us and to our constituency.

My sentiments on the value of Canadian confederation stand in sharp contrast to the separatist views of the former leader of the members opposite as well as the member for Swift Current. These anti-Canadian views have received an undue amount of publicity and I disagree with those who believe that we should simply ignore these separatist musings until they go away. I believe that the former messiah of the Conservative Party must be challenged every time he calls for the break-up of Canada.

Frankly, Mr. Speaker, I look across at several deep-tanned faces opposite and wonder about the effect of the relentless Arizona sun. There is no doubt that here are inadequacies in western Canada's deal from confederation and I think every member in this Assembly would agree with that. But it's not good enough to simply wring our hands and say that confederation is not working; that we should quit and try to substitute western alienation for western provincial alienation. I think Canada is worth a great deal more than that.

We in the west have our grievances but it is not good enough just to complain about them. We need to research and document our case and then sit down and negotiate a better deal with Ottawa. For many months now Saskatchewan has been asking a rapid succession of Ottawa governments why there is an export tax on Saskatchewan heavy oil when no other forms of energy are taxed when they leave the country. We have asked why there is not export tax on Ontario and Quebec hydro electric power, and why there is no export tax on Alberta and British Columbia's natural gas exports. In 1979 Ottawa taxed away 44 per cent of the value of Saskatchewan's oil exports, and this year that figure will rise to over 60 per cent of the value of our oil exports. Since 1970, Ottawa's oil export tax has taken nearly \$1 billion from Saskatchewan oil exports. This year alone that export tax will amount to more than \$0.5 billion.

If these figures are contrasted to those for electricity exports, a rather startling picture emerges. Since 1979 Canada has exported \$1.6 billion worth of electricity to the United States, but not a penny of export tax was paid on this electricity. This year alone Quebec and Ontario will collect \$0.5 billion from electricity exports. Besides the fact that no tax was collected on electricity exports, the price that electricity exporting provinces are getting for their product is much higher than for oil. The British thermal unit can be used as a common denominator for energy to compare oil and electricity prices. In 1970 the cost per BTU of exported electricity was twice that of oil. Since 1970, electricity exports have increased 10-fold and the price per BTU has more than quadrupled. As a result, revenues from electricity exports are now 15 times greater than what they were in 1970 and still this windfall remains free of any export tax.

With the rapid increase in the price of oil in recent years, the price per BTU of exported oil has slowly begun to catch up with electricity, but the revenues gained from exporting a BTU of electricity are still almost twice as high as revenues from oil. As oil exports have been cut back electricity exports have increased and that gap will continue to widen. I hope it has become abundantly clear by now that Quebec and Ontario's electricity exports would be fertile ground for Ottawa to collect an energy export tax on. A burden, which is being borne entirely by Saskatchewan because we export most of the oil, could be shared by these provinces. They are reaping windfall profits from their energy exports and some of that money could be used to subsidize the cost of their oil imports.

Before anyone jumps to the conclusion that this is just another central Canadian plot hatched in the golden triangle to rip off the West, we should consider the fate of Alberta and British Columbia's natural gas. Just as with electricity, the gas exporting provinces are reaping windfall profits from their energy exports. Just as with electricity, there is no export tax. In 1978 Alberta earned over \$1 billion from natural gas exports while British Columbia earned \$250 million. Clearly, this is more fertile ground if Ottawa wants to collect an energy export tax.

Why aren't they doing it? The same question keeps coming up again and again. Why

just Saskatchewan oil? Mr. Speaker, I don't think there is any doubt that Saskatchewan has a legitimate grievance over being singled out for energy export taxes. The question is what to do about that grievance. I don't think it does any good at all to simply complain, or to go courting Uncle Sam. I think it makes much more sense to do what Saskatchewan is doing. It makes much more sense to research and document our grievance, and then have our Premier sit down with Ottawa and the other provinces to bargain a better deal.

Change in the export tax situation will not come about either through separatist headline hunting or opposition hand-wringing. Change will come about when the most able and respected political leader in Canada takes Saskatchewan's case to Ottawa. Negotiating a better deal for the West in confederation will be a long and difficult process, but Saskatchewan and Canada will be stronger for it. Mr. Speaker, if the man who led the Conservative Party in Saskatchewan for most of the last decade wants to make a case for separation he has every right to do it. But if he wants to make a contribution to the debate he will have to do some research and give us some well-documented reasons for his view. Headlines fade quickly but the realities and problems of a situation remain to be overcome with dedication and hard work. That is the least that must be asked of anyone who wished to participate in shaping the future of this country.

Mr. Speaker, when the member for Arizona and Nipawin's successor asked for his resignation from the Conservative Party, it occurred to me that his story was being made. We all know that rats tend to swim away from a sinking ship and a few years ago we, of this Assembly, witnessed a rare spectacle of a couple of rats swimming toward a sinking ship. But I believe this is the first time in history that a sinking ship has been observed swimming away from the rat.

Mr. Speaker, I digressed for a few minutes today from the subject of the budget because I wanted to address the important issue of Saskatchewan's place in Canada that has arisen recently. The two subjects however are not totally unrelated. This budget has laid the groundwork for the strong economy Saskatchewan will enjoy in the 80s. That strong economy will provide us with a secure base from which to negotiate a new confederation and ensure that we contribute to the utmost of our potential to the development of a strong and prosperous and united Canada.

Mr. Speaker, for these reasons and the ones I mentioned earlier, it is abundantly clear that I will be supporting the budget.

**Some Hon. Members:** — Hear, hear!

**Mr. R.A. Larter** (Estevan): — Mr. Speaker, the budget reply that I had prepared before was a general coverage of the budget as it affects the resource industries in Saskatchewan. A general coverage has been made in these areas by some of my colleagues. I find after listening to the budget reply of the Minister of Highways, as a Canadian and as a veteran of World War II, I could not with a clear conscience let the minister's reply go unchallenged. I therefore will not follow the context of the speech, but rather will tell the people of Saskatchewan the way it is.

Two members of the Progressive Conservative Party crossed the floor and are now sitting as Independents. The most unbelievable of all is that while sitting in this legislature as members, they would try to justify their decisions in a proposed joining of the United States with western Canada. I had considered the member for Nipawin to be

a bit above the average cut when he convinced me to run in 1975. This adds a little more to my bitterness over what has happened.

Like the member for Saltcoats, as he stated in his speech the other day, I too was exposed to what being a Canadian was all about and proudly served on convoy duty in the North Atlantic under the white ensign and the Union Jack. I am sure that the minister of rural affairs, for Saltcoats, shares the concern and disbelief I felt the other day when a member of his party, the self-proclaimed dean of the House, the Minister of Highways, the member for North Battleford, so crudely and cheaply displayed the Canadian flag on his desk. This was, I suggest, cheap politics. This is the flag that the member for Saltcoats and I, along with hundreds and thousands of patriotic Canadian volunteers, risked our lives to fight for and to defend. There is the old saying, those that wave the flag the hardest are the most insecure as to where they stand.

I also resent the fact that the Minister of Highways cast a slur on our American neighbors to the south. I want to apologize for the conduct of this minister and tell our American friends that the minister represents only himself and some radicals on the government side of the house, when he makes statements like multinationals and the Mafia running the U.S.A., Mr. Speaker, I would like to tell our American friends that they are our best neighbors, our best friends, and our number one ally in the world today.

Proof positive is the unguarded border that has been there ever since the start of our two countries. I was indeed proud to be a Canadian the day that Ken Taylor assisted the Americans in their escape from Iran. To our American friends I would like to say that like you, we are very proud of our country, and any changes for a stronger western Canada must be done within confederation.

We are not without differences, but then some of our weaknesses are also our strengths. You may have the Mafia in the United States, but then you are fortunate in not having the only socialist government between Britain and Japan.

**Some Hon. Members:** — Hear, hear!

**Mr. Larter:** — We also have a socialist Liberal federal Prime Minister in Ottawa. The trip he has taken our Canada on is a legacy of debt for our children and their children. To confirm true socialism at the federal level one only need look at the Liberal and NDP attitude toward our armed forces. Both the NDP and the Liberals resent one dime being spent on the armed forces. Proof positive of this is our failure to even fulfil our NATO commitment.

I think I should tell the people of Saskatchewan, and maybe our neighbors to the south, just what the socialist government has done for — or I should say to Saskatchewan. The farmers of this province had better be aware and concerned that this government now owns more than a million acres of farmland. This makes the NDP government the biggest landowner in Canada. They have budgeted, in this new budget now, to spend another \$25 million of farmland in 1980. It is quite possible that with their greed for complete control this could be the last decade of private land ownership in Saskatchewan.

Mr. Speaker, this government introduced Bill No. 42 in 1972, which chased the private oil companies out of Saskatchewan and stagnated this industry. The government created SaskOil and it was supposed to pick up the slack. They then proceeded to buy production and go through the motions of knowing what they were going. Then, Mr.

Speaker, to really let the people of the province think they were in the oil business, they were party to a sweetheart deal with Gulf Oil — 500,000 acres for exploration with this multinational at Lloydminster, without a tender, without a word to any other company

We don't know whether Gulf gave \$1 per acre or \$50 per acre, or if they will be given half of all the oil they find that belongs to the people of Saskatchewan. I call that a sweetheart deal!

Mr. Speaker, the uranium situation is still another venture that this government has taken us on with our tax dollars. Through SMDC (Saskatchewan Mining Development Corporation) the Government of Saskatchewan is now a partner in over 245 projects in northern Saskatchewan. Soft markets have been predicted for uranium until 1990, but does this government listen to these warnings? No! This is a high-risk venture in which we, as taxpayers, have already invested over \$300 million. No turning back, the Premier says. I say to the Premier that on this high-risk venture, you should let the private sector take the risks. We say that you should set the rules of the game and not be any more than a referee. We say, stay out of the non-renewable resource industry with tax dollars.

As a government you have the power to tax up to 100 per cent on profits, therefore you can set the magic number that will keep the industry at a high tax level with no taxpayer investments.

What about potash? Well, Mr. Speaker, this is another case of this NDP government's direction toward total control of an industry. This government has bought an industry with threats of expropriation, an industry that was working very well. It created no more new jobs. In doing so you used the excuse that they did not want to co-operate, so you threatened them.

Mr. Speaker, the word that this government cannot seem to understand is negotiation. They understand confrontation, but not negotiation. In four years the Potash Corporation of Saskatchewan showed profits of about \$135 million. Our calculations show that if you had not advanced the \$430 million from the energy fund, we would have made — that is the people of Saskatchewan — in interest alone, at least \$193 million in this same period. This would be without investing one dime, plus the fact that the private sector mines would be paying a tax at a rate which you set.

Mr. Speaker, I would like to cover one more area before I take my place. I would like the people of this province to know of a charade that goes on in this legislature each session and that is the passing of bills. The government calls us members in, sometimes once sometimes twice a year to pass bills. Most years we pass well over 100 bills. What do these bills do? Well they affect someone's life somewhere in Saskatchewan, every one of them. Now we as members wouldn't mind going through this charade if it weren't for the fact that every bill we pass places more power in the ministers' and the cabinet's hands. Why? Because after going through these bills, maybe fighting for some changes, there at the end of each bill the power is given to the minister responsible or to the cabinet to change anything or any part of any regulation in the bill. Mr. Speaker, you can see that these wide-sweeping, devastating powers make our jobs as legislators on bills a waste of time. Both Mr. Lloyd, the former premier, and the present Attorney General thought so and said so in Hansard on April 8, 1971. And this is regarding a bill that was introduced by the Liberal party at that time and replied to by the opposition which was the members opposite. It was on Bill 60, An Act to Establish an Authority with respect to Clean Environment. I would like to quote first of all former premier Lloyd. He says:

I notice for example, as I understand it, the only appeal which a person who is affected by and dissatisfied with a decision of authority is to the Lieutenant-Governor in Council and for the radio audience that is the cabinet. If I am correct in that interpretation (he goes on) I suggest that this is not a good enough avenue of appeal. This is not adequate and this ought to be taken into consideration by the government before the bill is finally passed.

Now, Mr. Lloyd agreed with us on these bills and I will go on and tell you what the Attorney General, who was sitting in the opposition that time, had to say about it with regard to the ministers' names being on the bill:

Mr. Speaker, I commend the government for the introduction of the legislation but I do have two or three observations which I wish to commend to the consideration of the government which in my view would strengthen this type of a bill. It is noticed throughout the bill, particularly in section 14 where the powers of authority are set out, there is a repeated clause of: 'the authority may with the approval of the minister.' (This is the one we object to and he was objecting to it then, and he goes on and says), this appears particularly in subclause (e) which says, 'The authority may with the approval of the minister engage the services . . . where with the approval of the minister may establish a task force of persons again with the approval of the minister, undertake public educational programs.' And as I read the bill what concerns me about it is there appears to be a much stronger wedding between the Clean Environment Authority and the minister responsible than I think is really desirable.

Those are quotes and these two people, very respected people in those days, were espousing your views that they didn't think the minister of the cabinet should have that much power in bills and certainly we agree with them. We would like to know why they have changed their minds? I'll tell you why. More and more government control with orders in council and less and less power to the Legislative Assembly and to us as members. This is exactly what is happening. This government does not respect this legislature otherwise there would be very few orders in council and less and less power to the Legislative Assembly and to us as members. This is exactly what is happening. This government does not respect this legislature otherwise there would be very few orders in council.

I would also like to make mention of the environment this government in its venture into uranium has also insisted that they should administer the environment. I would like to quote from Hansard what the Attorney General when he was sitting in the opposition had to say about the government being involved in industry. I would like you to pay attention because at that time told exactly what our views are today:

Suppose, using my hypothetical example, the cabinet is very pro-industry minded, feels that the need for job employment in a particular area outweighs the need to preserve and to protect the environment, in that example, government is caught in a conflict . . . or may industrialize the province on one hand as opposed to the need to keep the province's environment clean . . . why should the government be put necessarily in that type of position? (This is the quote of the Attorney General when he was

in opposition. And I go on). The former leader of the opposition talked about that and he also raised the question of the legal appeal, the civil rights aspect of it. That is something I would concur in, but as far as I am concerned where there is a choice between preserving the environment and promoting industry, I'll come down on the side of preserving the environment.

This is what the Attorney General said in 1971 and now they are coming down on the side not of preserving the environment but going ahead with exactly what he said he didn't want them to do. I would tell the people of Saskatchewan, and also our American friends to the south, that this is what socialism is all about — total control of people's lives. If you think I'm fooling, come out to a Progressive Conservative political meeting in Saskatchewan. If you see a civil servant or a union person present at these meetings he will tell you he is inviting kamikaze. Exaggeration? Not in the slightest. They fear for their jobs and for the promotions. Why? Because it's a fact of life. I will not support this program deception. I will support the amendment.

**Mr. H.H.P. Baker** (Regina Victoria): — Mr. Speaker, I am once again pleased to enter the debate on the budget for the fiscal year 1980-81. I compliment the finance minister on his presentation. First, I would like to recognize the fine people in my constituency, Regina Victoria. I wish to express a sincere thank you for their confidence and devotion, and I look forward to serving them for many years in the future.

The budget placed before us is a balanced budget with a surplus. It is a sensible budget. I suppose we can say balanced budgets are not household words across this country. Let's look at it carefully to see what this financial document does for the Saskatchewan people. We first of all look at the health financial aspects of the budget. Health costs under SHSP (Saskatchewan Hospital Services Plan) will receive a 13.7 per cent increase, bringing it up to \$301.6 million. What does this mean? Well, it says that medicare will continue. A free card will be issued to every person in this province, young or old. It means that we will still have free doctor and hospital care. It continues to promote free chiropractic treatments. It continues to give prescription drugs with a nominal charge. It continues free testing eyes for those needing glasses. It continues and expands the free dental care plan for children now up to 14 years of age. It increases the funding for the cancer foundation by 16.3 per cent. What about local government, the cities, towns, villages and rural municipalities? I say a very generous plan is earmarked for all local governments. Let's look at it. Through revenue sharing the city of Regina will receive additional dollars as an unconditional grant for current expenditures towards its mill rate. The budget also provides \$100 per capita for all municipalities over a five-year period. Regina will realize over \$16 million over five years. We're building rinks, swimming pools and other recreational and public buildings. It gives Regina money for the building of roads, sewage and water facilities for the future. These kinds of moneys will generate work programs that will continue to create full employment. These are generous grants, Mr. Speaker, and I have yet to hear someone out there say thank you.

Generous grants are again indicated for our educational and school systems for youth and adults. The capital grants for our school systems have been outstanding since 1972 by this government, when you think of the paltry amounts given before that. For once teachers receive adequate salaries and security, through pension and other fringe benefits, and decent schools in which to teach our youth.

The budget continues the expenditures for the property improvement grants of \$230 to home-owners; a \$375 property improvement grant to farm owners is continued;



\$250 to small individual licensed businesses is still in the budget; property rebates for senior citizens are still being given, up to \$460 for urban residents and \$605 for a farm home; the rebate of up to \$115 per year for renters is continued — this will now include senior citizens living in the public highrise apartments; the home repair grant of up to \$650 still exists and can be applied for every five years. I hope that councils and school boards will spend their generous grants wisely over the years.

Canada, particularly Saskatchewan, has an immense resource potential. We can talk about the increasing activity over the next decade for potash, oil, heavy oil, uranium, coal and other minerals, but the main and primary industry will always be agriculture. Many forecasts indicate there will be a 30 per cent increase in grain production by 1985. The farmers must be paid proper prices for the production of these commodities. The present prices are not sufficient to cover their costs. Farmers are becoming more debt-ridden as time goes on. Security for the farmer should be the slogan for the '80s and that can only be achieved if they get a fair share of the national income. It is the only way to maintain the family farm.

Other ways in which we can give greater security to the farmer — well, the Crow's Nest rates must be maintained at all times. The present crow rates are worth \$350 million a year to the prairie farmer — \$200 million to Saskatchewan farmers alone. We have much to lose if the crow rates are not continued in perpetuity. The crow rates have protected the grain producers in Canada from the price gouging to which our American grain growers are subjected. Farmers at Havre, Montana, I am told, are now paying \$1.50 per hundred weight to ship grain to the west coast. From Shaunavon it costs our farmers only 13 cents or 13.5 cents a bushel to ship wheat to the west coast or Thunder Bay. In other words, farmers in Montana pay over six times more than Saskatchewan farmers to ship their grain, which means they pay anywhere from 80 cents to 90 cents a bushel.

I urge the farmers to beware of the branch line abandonments. A university survey indicates that 124 communities could have a direct loss of \$100 million if their elevators are abandoned.

Another mark of security for farmers and farm income is orderly marketing. This can only be achieved by the continuation of the Canadian Wheat Board. To make things more secure it should also include all grain marketing. To show how important the agricultural trade is to Canada, the exports rose to 6.1 billion, or an increase of 26 per cent in 1979, making a trade surplus of 1.4 billion. Let's keep speculation out of farm production and income.

It appears that we are in for greater production of our oil and gas resources. I believe we haven't even touched our resource in this area, as will be seen in the future. We should be punching holes in the ground for oil and gas as if we were looking for water wells.

**Some Hon. Members:** — Hear, hear!

**Mr. Baker** — We should do more with our Crown company than we are doing now. In other words we in Saskatchewan must become completely self-sufficient with our energy needs as soon as possible. Our coals and gas resources should be utilized to the fullest in the production of electrical energy because this could be the answer to our agricultural, industrial and heating needs for many decades. Solar energy is a long way off but exploration must be continued. We must have sound spending habits in our province. Development of our resources should be in the forefront.

But let's not forget about our people in Saskatchewan. With those lucrative returns we should not overlook social measures for the betterment and security of a good quality of life for our people. We must always see that we have full employment and a good family income to meet the needs of our growing costs. Continued good health and welfare programs are needed. A complete dental care plan is overdue for all of our citizens, and I may say we can afford it.

I am pleased to see that the minimum wages are being raised regularly. We must see that these are constantly monitored so that those on fixed incomes are not caught in the inflationary squeeze that is putting so many below the poverty line. Wage earners must be paid a proper salary for their hire. Our party believes in the working man, the farmer, the small businessman and the professionals as the mainstay of our economic base. Let's keep a watchful eye for their protection.

What about senior citizens? They too are now being caught in the inflationary and cost-price squeeze. Their incomes are gradually being eroded. We must look to the federal government for overall pension increases. They need it now. They certainly have my full support. I suggest we in Saskatchewan set up a permanent, special economic team to monitor incomes for pensioners, those on welfare assistance and low incomes, with a view to making recommendations to this legislature every year.

The pensioners today recommend and make the following suggestions as to their future. They adopt in principle for all Canada the idea of a guaranteed annual income, and that the same be incorporated into new pension policies including our province. The basic idea is to provide for every man and woman reaching the age of 65 years entitlement to one and the same basic pension, of an equal amount for all person irrespective of their previous income schedule or office held. This would do away all forms of means test, which in my books is an insult to the dignity of man. These recommendations form the basis of sound discussion and I share their views and concerns.

I have said in previous budget speeches there are serious clouds upon the horizon in the country, and that also affects our province, particularly our finances too. What are these? Higher interest rates can only be termed inflationary, creating higher costs of living, creating mass unemployment, adding to the heavy debt of the country, adding to the cost of manufacturing goods and less exports, thus creating trade deficits as well as diminished revenues, increased expenditures with heavy budgetary deficits, and a falling dollars. In other words, it will speed up the day-to-day economic disaster. You all know the effects of what it is doing to the housing industry for mortgages, and the effect it has on credit for the purchasing of farmland.

High inflation has an eroding effect on blue and white collared workers on fixed incomes who have nowhere to turn but to ask for higher wages, and I may say they need it. The pensioner will probably be hurt the most if this keeps on, and so once again a vicious financial economic circle is on its way for the '80s. Strong measures must be taken to salvage the dollar from becoming worthless.

What is the answer? I said last year, put a New Democratic government in Ottawa. Sorry to say it didn't happen. Where do we go from here? If things don't change it can only spell serious disaster for all of us. With the world situation as it is and millions starving and hungry with no relief in the foreseeable future, with war signs and threats of

confrontation on the horizon is certainly give a bleak outlook for all, particularly for the youth of today. As parliamentarians, it is our task to provide the tools to continue our good way of life in Saskatchewan and in Canada, but also to look beyond our borders to play a significant role for the betterment of mankind. This is our challenge. Even if our population is sparse, it is powerful because we have the resources and the know-how. Let's accept this challenge and put to use all of our human resources as well as our great wealth. I am proud to be part of this legislative process in our great province, a province which when all of our resources are in full production will be the wealthiest in our country.

What about the constitution and Canadian unit? Many proposals, Mr. Speaker, are being put forward by Canadians and their leaders. My suggestions to this government and colleagues here is to treat with caution. Do not make public statements that you cannot retract. I suggest that this whole legislature become a body corporate to work out details of any proposals that go forward. This is one program that does not belong to our leaders only, but to this House and to the people of Saskatchewan.

With the exception of resource areas, to me there is nothing wrong with the present constitution. Under it we can do anything we please. I strongly recommend that no more expression of policy opinions be made until all facts for change are known and gone over by this House. However, Mr. Speaker, I want to make it abundantly clear that we must do all we can to keep this great nation together and as a part of the great Commonwealth of Nations which now makes up one-third of the world's population. I am a Canadian, Mr. Speaker, and proud of it. Many would give much to become a Canadian today but cannot. No one is going to take my citizenship from me, I'll assure you of that.

**Some Hon. Members:** — Hear, hear!

**Mr. Baker:** — Let's keep Canada as one great nation. Let's keep faith with our ancestors and our future generations. Canada, we need you. I support the budget.

**Some Hon. Members:** — Hear, hear!

**Hon. W.A. Robbins** (Minister of Revenue, Supply and Services): — Mr. Speaker, I am once again pleased to participate in the budget debate.

I would like first, Mr. Speaker, to congratulate the Hon. Ed Tchorzewski for his maiden budget speech. As a former occupant of that portfolio, I am well aware of the long hours and the energy and effort which must, of necessity go into the formulation and presentation of a budget address. The hon. member for Humboldt presented the speech with conviction and clarity. The content he dealt with was commendable and the presentation was first-class.

The financial critic for the official opposition — I must digress here, Mr. Speaker, because we now have an unofficial opposition as well consisting of two Conservative or is it Republican? (I don't know — one of the other) members. They classify themselves as Independents. In reality, Mr. Speaker, they should be classified as 'Dependents' — they are dependent on each other and that, Mr. Speaker, is not a very dependable position for either one of them to be in.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — The hon. member for Regina South believes implicitly, as do all Conservatives, that the less government we have, the better.

**Some Hon. Members:** — Hear, hear!

**Mr. Robbins:** — I see he supports that contention, so carrying that concept to its logical conclusion places them in a very distinct category. They can logically be classified as ‘anarchists’ because they believe the best government is no government at all.

Their contention, Mr. Speaker, is that you simply reduce governmental expenditures annually for a term of years and the private sector will automatically fill the gap and solve all the economic problems. That, Mr. Speaker, is a naïve and erroneous assumption. Our closest provincial neighbor to the east, Mr. Speaker, is Manitoba. It has a Progressive Conservative government. In fact, it becomes progressively more conservative with the passage of time. Old-fashioned classical economic theory taught that supply always creates demand and that, conversely, demand creates supply. In their view, competition is the prescribed remedy for an economy whether that economy is expanding or declining. Their rules are very simplistic, Mr. Speaker: (1) cut prices to the bone, (2) reduce wages to subsistence levels, (3) reduce governmental expenditures irrespective of economic conditions and somewhere at the bottom of the economic pit a willing buyer will match up with a desperate seller.

The financial critic talks critically of what he believes about the public debt in Saskatchewan. Mr. Speaker, he ignores the fact that the public debt of Progressive Conservative Manitoba totals \$3,989 per capita and it appreciably higher than the per capita debt in the province. Manitoba is not, Mr. Speaker, I repeat, is not as economically buoyant as Saskatchewan. I am quoting from Statistics Canada, as recorded in *The Financial Post* of November 24, 1979. It shows that the population of Manitoba is slightly larger than that of Saskatchewan. It also shows the output, the gross domestic product of the province of Saskatchewan, is more than \$100 million higher than it is in Manitoba. It shows, when taking the real growth and discounting it for inflation, the real growth in Manitoba was 15.7 per cent, and in Saskatchewan, 28.8 per cent.

Personal income is roughly equal in both provinces and the employment rate is better in Saskatchewan, with higher unemployment rates in our neighboring province. Mr. Speaker, I am well aware that to merely quote a figure on per capita debt, without taking into account the assets acquired in the acquisition of the debt, is really a futile exercise. Would not one think, Mr. Speaker, that a business-like businessman, which the hon. member is supposed to be, would look at the assets side of the ledger as well as the liability side — a rather unique, unbusiness-like approach for a Conservative-type businessman.

The opposition financial critic chooses conveniently to ignore the fact our assets, after regular rates of depreciation of the provincially owned institutions and resources and utilities, exceed the total public debt. The financial critic, Mr. Speaker, expresses concern over inflation and inflationary trends in the economy. That is a perfectly legitimate concern, Mr. Speaker. However, applying outmoded economic theories of a bygone era will not solve that problem.

Profligate economic policies of our national government, under both Conservative and Liberal administrations over the past 25 years, assure us of paying a price for those

past economic errors. It is an economic fact, Mr. Speaker, that we in this province cannot protect ourselves against the inflationary implications of large accumulate deficits at the federal level. Inflationary pressures outside our borders flow in over our borders. Mr. Speaker, none of us in this Chamber should be so naïve as to believe those inflationary pressures are all due to national governments and/or, international trends. Canadians will owe approximately \$40 billion in outstanding consumer debt when the final statistics are compiled for the calendar year 1979. That is a seven-fold increase in the last decade. Mr. Speaker, that does not include what Canadian owe on home mortgages. Canadians are currently experiencing very severe economic situations, relating to renegotiation of mortgage rates at extremely high interest rate levels — rising rates under both Liberal and Conservative federal administrations.

Mushrooming consumer credit is a bad omen in our current situation. We suffer from blatant huckstering of consumer credit, and the rather unfortunate ready Canadian response to it. Entrepreneurs of finance, of goods and of service, assure of us it is good for business and a stimulant to the economy, keeping producers producing workers working. No doubt there is some truth in that contention. Just as true are some ugly spinoffs — people under severe financial stress, debtors under collection agent duress or parading through debt counselling agencies and the courts, teetering on the outer limits of solvency — casualties, Mr. Speaker, of our easy credit society. Plastic poker, the great Canadian credit card gamble, is heading us toward economic botulism.

I ask the opposition financial critic to observe the facts of the situation. A goodly portion of the rising tide of debt can be properly laid at the door of the entrepreneurial advertising of the private sector, so rabidly supporting by the opposition critic and his colleagues who occupy the opposition benches.

Mr. Speaker, may I make some suggestions for the new Minister of Finance at the federal level? Income tax is our most progressive type of tax. Indexation of the exemptions is rational as it treats all taxpayers on an equal basis. However, Mr. Speaker, indexation of the marginal rates of income tax is irrational and highly regressive.

The progressive theory in income tax is related to the fact that tax rises commensurate with income increase. Indexation of the marginal rates results in the major reductions accruing to the higher income earner with minimal reductions for the lower income earning strata of society. Indexation of the marginal rates has the least value to the lower and middle groups which are most adversely affected by the inflationary trends. The last indexation announced in the Crosbie budget effects savings of about \$150 for a \$15,000 per annum income earner and more than \$800 for a \$50,000 per annum income earner. Mr. Speaker, that is irrational.

Additionally, high income earners have much the best opportunity of taking advantage of income tax breaks such as RRSP (registered retirement savings plan), MURB (multiple unit residential buildings), etc. Removal of indexing of the marginal rates of income tax would reduce our annual federal budgetary deficit by approximately \$1.5 billion. We did not have it prior to 1974 and we should not have it now. I hope the new Minister of Finance at Ottawa will consider removal of indexation of the marginal rates of tax in his next budget.

Our accumulate deficit at the federal level by March 31, 1980 will exceed \$52 billion.

March 20, 1980

The fiscal year ending on that date is estimated to see an increase in the debt in excess of \$10 billion in the last 12 months. This money, borrowed at currently high interest rates, balloons the servicing cost of our cumulative federal deficit.

I wish members of the House to note that there was recent issue of bonds by the federal government paying 13.75 per cent interest. A year ago those bonds were being sold on the market in the 11 per cent range.

Mr. Crosbie's ill-fated budget assumed an increase of \$1.8 billion in the current fiscal year from some \$8.4 billion in 1979-80 to \$10.2 billion in 1980-81 and it indicated that the cost of servicing the debt in his five year forecast would exceed \$14 billion by fiscal 1983-84

Mr. Speaker, we are on a slippery financial slope in regard to servicing our cumulative national deficits and a partial solution is readily available in the removal of indexation of the marginal rates of income tax.

Mr. Speaker, the financial critic wishes to remove E&H tax from some items now subject to tax. How realistic is this suggestion? E&H tax is estimated to raise \$276.5 million in fiscal 1980-81. That is some 13 per cent to 14 per cent of all revenues. Educational and health costs are approximately \$1 billion or about 50 per cent of all estimated 1980-81 expenditures.

He complains about gasoline taxes. Yet our tax is 19 cents per gallon or 4.2 cents per litre — the same rate of tax which was applicable in 1970. Tax increases on gasoline have occurred at the federal level. A 10 per cent per gallon excise tax by a federal Liberal government, later reduced to 7 cents per gallon, was proposed to be increased to 25 cents per gallon by the Clark administration. The provincial gasoline tax and motor registration fees 10 years ago paid for 85 per cent to 87 per cent of our road construction and maintenance costs. Today they cover only 54 per cent to 57 per cent of those costs.

The financial critic contends that we pay 5 cents (I think he said in his budget address 5 per cent per gallon; I presume he meant 5 cents) of our gas tax to SGI (Saskatchewan Government Insurance) as an insurance premium. Wrong again, Mr. Speaker. It is 3 cents per gallon or 0.66 cents per litre. Conservative financial critics are consistently conservative and consistently wrong.

Mr. Speaker, may I was poetic for a minute or two. I do not classify this as passionate poetry vitriolic verse. I trust it lies somewhere in between.

One really wonders why the PCs would do so,  
And appoint as their critic a fellow named Rousseau;  
He swings with great vigor a conservative axe,  
His aim to dismantle the E&H tax.  
He claims quite unfairly that SGI rates  
Punish us all, including his mate;  
He says it's because we built a glittering shrine  
Which we'll all have to pay for — over a period of time.  
The truth of the matter, the cost was immense  
To pay for repair to her Mercedes Benz'  
A cautious conservative approach on the road.,  
Would not have required us to carry that load,

Would diminish our accident frequently, I'm told,  
And permit our premiums to be invested in gold.  
Should you think it unfair that I use his name,  
I ask you to check out the cost of his claim;  
I believe it really not unfair to do so,  
Our rates really rose because of fellows like Rousseau.

Mr. Speaker, it is obvious the Saskatchewan electorate have long since decided they have a preference for ability in economic matters over agility in economic transactions. I commend them for their qualities of a discernment.

It should be obvious to all members of this House that I will oppose the proposed amendment and wholeheartedly support the budget motion.

**Some Hon. Members:** — Hear, hear!

**Hon. E.B. Shillington** (Minister of Culture and Youth): — Thank you, Mr. Speaker. I want to begin by congratulating my colleague and a former desk mate, the Hon. Ed Tchorzewski, on his first budget.

I felt, Mr. Speaker, the budget to be a very reasonable balance between fiscal responsibility on one hand, and meeting the economic and social needs of the province on the other. I am sure he is proud of his budget and I am sure he is equally proud to be following in the tradition set by the member for Regina North-East, the member for Saskatoon Nutana, the member for Biggar, and others.

I can't help speculating, Mr. Speaker, what our situation might have been had similar leadership been provided at the federal level. It is interesting to think on where we might have been had the Government of Canada had the same leadership, how much better our situation would have been, the golden opportunities that we would have in position to take advantage of.

In speaking on the budget speech, Mr. Speaker, I don't intend to spend a long time on the criticisms levied by the opposition. Indeed, I may say (and I say this, I suppose, in part to you to my colleague, the Minister of finance) that many of the member seem to make a speech without making any criticism at all; many of them seem to go out of their way to avoid talking about the budget.

I guess, Mr. Speaker, there is no higher form of praise to the Minister of Finance than when a member of the opposition gets up and can't find anything critical to say.

I want to begin, Mr. Speaker, with a personal observation — one which stems directly from my activities for the past several months.

One of the delights of the Minister of Culture and Youth is the amount of time he travels in rural Saskatchewan. In an attempt to give the widest possible representation to my department, my office and my government, I travel from one corner of the province to the other, from grassland to parkland and over part of the shield itself. In making these trips one travels on behalf of sports, recreation, culture, heritage properties, libraries, Celebrate Saskatchewan, arts — and the list goes on.

Mr. Speaker, the more I travel, the more I marvel at an aspect of Saskatchewan the total value of which is too little known and too little appreciated. I refer here to our system of

volunteer service — volunteers who work for the betterment of life in Saskatchewan, and do so for one reason: love of the citizens and love of their community.

I have been to openings of scores of community centres, curling rinks, hockey arenas, community halls, in which it was volunteers who raised the money, volunteers who raised the money, volunteers who poured the concrete, raised the walls, set the arches and then after it opens up, volunteer to run it daily, to open up the door and to operate the canteen.

The affairs of our local libraries are assisted by volunteer workers and volunteer member boards. In hundreds of Saskatchewan communities, Mr. Speaker, there are successful programs for Celebrate Saskatchewan being operated entirely by volunteers. I won't embarrass the members opposite by comparing our Celebrate Saskatchewan program to that in our neighboring province. But, we have volunteers striving in the old-fashioned, co-operative way to improve their hometowns and their home areas. Not only do they make the plans and carry them out, Mr. Speaker, long after the bunting has blown away, long after the last home-coming visitor has left, the same volunteers will be tidying up, writing reports and doing the thing they do best, volunteering for a better Saskatchewan.

Mr. Speaker, that we have honed volunteerism to a fine art in this province is evident by Telemiracle. Indeed the high art of volunteerism is the basis of Telemiracle which is truly a miracle, as a small, scattered, largely rural population supports the world's largest telephone canvass. I know all members of the House will want to join me in congratulating the Kinsmen, I know equally they will want to join me in congratulating the volunteers of Saskatchewan who make it all possible.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — As an observer of the volunteers of Saskatchewan, I want to extend a vote of thanks to those tens of thousands of workers who do so much to improve life at a local level. As I reflect on the massive impact of their labors, Mr. Speaker, I regard them as ordinary people doing extraordinary things by co-operating together.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — Mr. Speaker, I want to begin my examination of our cultural program by referring to something that can only be described as a Saskatchewan speciality. I refer of course to our provincial library system. We know for a certainty that no other province can match it. I doubt that any other state in the U.S. can match it, or anywhere in Europe. As for its acceptance, Mr. Speaker, let me say the success of any library is to be found not in the titles on the shelves but rather in its usage and its circulation. Here the news is all good. Not only do we have a literate and informed electorate but the usage of libraries has been increasing rapidly on a per capita basis. In this province the libraries are a growth industry.

Perhaps, Mr. Speaker, our commitment to the library system stems from our adherence to equality. Equality means that no matter where you live in this province, even if it is at the end of a trap line, through the mails you have available to you the co-ordinated services of a regional library system. Perhaps a brief digression here, Mr. Speaker, may serve as an example of what I mean.

One of our regular library patrons is a livestock breeder near Weyburn who is engaged



in bison-bovine hybrid research. Even for a topic as exotic and limited as that, our service through its arrangements both inside and outside the province is able to locate and trace the necessary research material. In Saskatchewan good libraries aren't just available in the cities, they're available everywhere. They are an important element in the equality of opportunity we seek for all residents of Saskatchewan.

Mr. Speaker, it is in recognition of the expanding library service and its expanding usage that we were able to in the last year to increase the total grants to municipal and regional libraries by almost exactly \$0.5 million. Along with the increased grants are increased services. A friend of mine recently, on a visit to France, had cause to reflect on all of this. When he returned he told me that the library system in the city of Regina is better than the library system in the city of Paris, a city of 8 million people. This caused him to reflect on the reading habits of the English speaking world. He said, and one has to agree with him, that reading and writing are a speciality of the English speaking world. It's a form of art that we have raised to its highest level. If you were to take the 10 greatest painters since the birth of Christ probably none would have spoken English. Similarly, if you took the 10 best sculptors, none might have spoken English. But writers — probably half of the 10 best sculptors of all time wrote in the English language. We English speaking read and write with a passion that is distinctively ours. In the English speaking world, Mr. Speaker, we never the printed word as we manifest the collections of literature, periodicals, and research volumes. In England and many communities the most distinctive modern landmark is the public library. I am proud to say that in rural Saskatchewan today we reflect this thinking. Far-sighted municipal councillors meet the public demand for learning with modern, attractive and efficient library buildings to meet the growing public demand for books of all types.

Mr. Speaker, in a general presentation of this type I try to proceed with as few statistics as possible, but there's one of such importance I want it in the public record. In recent years prudent budgeting has made it necessary for us to hold the line on increased library grants. This year, however, we are giving the recognition to libraries and books and the library system as a key factor in the intellectual development of a million provincial residents. This coming year, library grants will be increased by 7.5 per cent — a level I'm sure will be welcomed by all those in the library system.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — Mr. Speaker, I never cease to be amazed at the explosive growth of interest in cultural affairs for the people of Saskatchewan. A hundred years ago the culture of this 0.25 million square miles that we know as Saskatchewan, was mainly Indian with the barest traces of outside influences from Metis, both English and French, who scratched out a rough existence as traders, trappers, and voyagers. Beginning at that point of about a century ago, in 1880, the first of the most venturesome settlers were literally squatters on the open acres in the Northwest Territories.

What followed then is a story well known to all of us as the greatest mass migration in the history of this civilization. More than a million settlers came to the prairie provinces from eastern Canada, the British Isles and Europe, and almost half-a-million came north across the border from the U.S. The obvious impact of this, Mr. Speaker, was that the land was settled, towns were formed, a system of government established, and a new society grew up. The not so obvious impact was a veritable cultural explosion which resulted from the meeting and the mingling of representatives of perhaps 100 distinct races, each with a strongly identifiable culture.

Mr. Speaker, in that formative period when the unwritten law was either work or starve, when conditions were primitive, when the time of each member in the household was fully occupied in keeping food on the table — not only was there little time for cultural pursuits, there was little time to appreciate the culture of others. There was perhaps little time to reflect on a cultural phenomena — that in the remarkable social experiment we call Saskatchewan, a distinctive culture of our own was being formed. When I refer to culture in this sense, I'm taking the broadest possible application, the meaning which touches on the lives of a million Saskatchewan residents. When people ask me what I mean by culture, what I use is not a dictionary definition but, rather, an interpretation, one created by that great English essayist, Thomas Carlyle. Mr. Speaker, it was almost a hundred years ago when Carlyle said:

The great law of culture, let each become all that he was created capable of being.

Mr. Speaker, in recent years I have had many occasions to reflect on how appropriate the Carlyle comments became. Today, in 1980, with a period of settlement well behind us, with food on every table, with shelter for each family, a tax base in the production of our farms and natural resources, the people of Saskatchewan have something almost unknown to their grandparents — leisure time. It's in leisure time, Mr. Speaker, that one of the certain indicators of social maturity occurs.

In this regard, the people of Saskatchewan are capable of passing any test ever created. Today in this province there are more people making better use of more leisure time than I believe you'll find anywhere in Canada. We engage in healthful, recreational activities, such as jogging, curling, baseball, or handicrafts, or, as so many are doing, writing the local history of our communities, or increasingly using books from an excellent library system, or coaching or assisting in organizational sports, or participating in one of a dozen other callings designed to meet the critical definition of culture — that it represents an improvement, an improvement in your mind and an improvement in your physical well-being.

Now, Mr. Speaker, I wish to address myself to those activities which are culture and appear in a purer sense. In this regard we have a broad program indeed, including support for the arts, heritage resources, multiculturalism, Museum of Natural History, the Western Development museum, community museums, etc. Indeed, Mr. Speaker, it became obvious to us during 1979 that we were making progress on so many different fronts that we would benefit from a province-wide assessment through which we might match specific programs against specific needs. And what brought this to mind was a cumulative total which astonished me when I first saw it, and astonished me still. In the past year, Mr. Speaker, through the grant programs which assist cultural groups, my department paid out \$785,000 to 1,100 recognized groups and associations. With a view to determining what this province's long-range cultural aim should be, we established the cultural secretariat to give us a detached appraisal of provincial needs. When the report is in hand, Mr. Speaker, I'm convinced it will make compelling reading for all residents of the province. When this secretariat was organized and given its single-year tenure, its mandate could be described as a subject of rapidly growing interest. We have a heritage rich in values and payments. This province is blessed with a plenitude of artists, musicians and writers, a surprising number of whom can and do compete on a world level. A distinctive Saskatchewan culture is emerging. We have to preserve it and reinforce it and strengthen it, to protect it from being overwhelmed by the culture of our friends to the South.

Mr. Speaker, this study was underway at mid-year and those who are conducting it have conducted literally thousands of interviews. Perhaps a year from now my comments on this subject in the budget debate will be based on a new cultural program, one based on the stated cultural needs of this province, needs stated by the people themselves. Mr. Speaker, no one could discuss the culture of Saskatchewan and overlook the activities of the members for Nipawin and Swift Current. What they advocate is what the rest of us seek to avoid and that's union with the United States. Here I take no disagreement with the comments made by the member for Estevan. Most of us do regard those from south of the 49th parallel as our friends. The mistake I think the members for Nipawin and Swift Current have made is that merely because we are friends with someone doesn't mean we want to live with them. What they advocate, and their support (I say, Mr. Speaker, I have been surprised that they have any support at all) comes not from those who wish union with the U.S. (I think that is a very small group) but those who are angry and disaffected with the Canadian confederation — disaffection we might call western Canadian nationalism. We have Quebec nationalism, and now it appears we have western Canadian nationalism. This frustration needs redressing; something must be done about the freight rates, something must be done about the economic imbalance in this country, the right of provinces to develop their own resources in their own way and be protected and preserved. In this respect the people of Saskatchewan are fortunate, indeed, to have someone of Allan Blakeney's calibre leading them. Disaffection needs redressing; it does not need to be fanned. This anger and frustration needs to be met; it does not need to be encouraged.

Mr. Speaker, as I listen to the two Independent members, and as I listen to the Progressive Conservative opposition who lose no opportunity to suggest to the Premier that he is not being strident enough in his demands on western Canada, they all begin to sound a bit alike, I ask all of the opposition members to ask themselves whether this country needs its regional differences and frustrations fanned and encouraged or whether we need a more proper look at Saskatchewan's place in confederation — the kind of thoughtful, sincere review taken by the hon. member for Regina Elphinstone yesterday, the Premier, who I thought struck a brilliant balance between speaking on behalf of western Canada and recognizing the legitimate needs of Canada as whole.

As for the ongoing program, Mr. Speaker, our activities include the study of two major projects about which you may hear more later.

**Mr. Speaker:** — I hesitate to interrupt the minister while he is making his address, but I wonder if I could allow a member to make an introduction?

## WELCOME TO STUDENTS

**Mr. A.W. Engel** (Assiniboia-Gravelbourg): — I hope you will excuse me Minister of Culture and Youth. I am really pleased today to welcome a group of young people here from own high school at Lafleche, along with some Grade 12 students from Glentworth. Both classes are here together under a joint visit that is sponsored by the local co-ops. Mr. John Dubnick from the department of co-ops has put together a program where the local co-ops have sponsored and paid for the kids' trips. They visited some of the co-ops in Regina and are here visiting the legislature. I thought we should take this opportunity to welcome them here today, Mr. Speaker. Thank you very much.

**Mr. Shillington:** — I want to join my colleague in welcoming the co-op students. I was minister of that department for three years which I thoroughly enjoyed. Particularly, I want to say hello to John Dubnick whom I had the pleasure of working within that department.

### **Budget Debate Continues**

**Mr. Shillington:** — As for the ongoing program, Mr. Speaker, I was discussing two projects in the final stages. One is the development of a new heritage act; one, I think, which refers to our coming of age, for it is based on the need to preserve and protect structures of cultural significance from modern economic progress. This project is in its formative stages. I can't discuss the details. They're too embryonic. I think I can discuss, for the benefit of all members, particularly the members opposite, the need for such an act.

It's been said that the greatest conservation program in the world is a prolonged recession; and a most destructive force to heritage properties is a boom. The greatest conservation program in the world is a prolonged recession.

Mr. Speaker, there are some provinces in Canada with Tory governments that have some excellent economic preservation programs. We live right next to one, Manitoba. These provinces with governments that seem to try induce recession with a mindless adherence to 19th century economic doctrine don't really need a heritage program — they don't feel much pressure. But, Mr. Speaker, this is Saskatchewan with an NDP government. We are in the midst of buoyant economic times brought about in part by far-sighted development policies of the NDP — and there's real pressure here.

The second new venture, Mr. Speaker, will be a major museum policy — one in which this government will outline its official recognition of the cultural value and the social value of the many community museums which have sprung up in recent years.

Just before passing into the area of heritage, I want to mention briefly the Western Development Museum (WDM). Mr. Speaker, we have, in the Western Development Museum, one of the finest collections of its kind in Canada. This museum has the potential to be one of the finest museums in Canada or elsewhere. Mr. Speaker, I am delighted to note in this budget funding to the WDM has increased significantly. I think, Mr. Speaker, it's fair to say we're well on the way to seeing the WDM reach its full potential.

Mr. Speaker, let me introduce the activities of our sports and recreation branch by saying its rapidly expanding activities cover all ages of our residents and all areas of our province. Its influence in the health of sports and recreation activities can be found in the recreation games for the handicapped, operated by department employees directly or indirectly through sports governing bodies and other sports organizations, and provided with grant funds through which our many talented community volunteers are continuing to recruit volunteers.

Just a couple of highlights from the sports program, Mr. Speaker. I refer here to the

Western Canada Summer Games in Saskatoon — superbly organized in a record short period of time. Saskatoon picked up the games on the rebound from Victoria after the parsimonious government of that province had withdrawn the funding. In the scant few months, the games went forward with military precision and great spirit. A great credit to Saskatoon; and Saskatoon was a great credit to Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — I am confident, Mr. Speaker, that in the next budget, we'll be extending similar accolades to the city of Estevan, host of the 1980 summer games.

A word on lotteries, Mr. Speaker. I recognize it's somewhat early to engage in a scathing denunciation of the new federal government. Perhaps I'll be forgiven if I do just that. A brief history of lotteries might be in order, Mr. Speaker. The provinces, not the federal government, developed lotteries in the early '70s. Manitoba developed in 1970 its lottery commission. We developed lotteries under the aegis of SaskSport. Alberta and British Columbia did likewise. Out of that grew the Western Canada Lottery Foundation and the interprovincial lottery.

The provinces developed this field and this is the norm. The provincial or local governments around the world run lotteries. There's a practical reason for this. The manner in which lotteries are conducted, the kind of lotteries allowed and the aggressiveness with which lotteries are marketed are matters of significant local concern. These decisions should be made at a local level and not at the federal level. Thus, in Switzerland, Germany, the United States and I think all other federal states, lotteries are conducted by local or provincial governments. And this was the case in Canada during the first half of the '70s. Out of the field, however, came the Trojan horse in the form of Loto Canada. The excuse of the federal government for getting in to the lotteries was to assist the province of Quebec, and I think it's fair to say the other nine provinces concurred in this goal. It was done on the strict assurance, Mr. Speaker, that once the funding from the Olympics was over, the lottery would be wound up. The legislation enacted by the Parliament of Canada reflected this. Thus Loto Canada was limited so that it would be wound up on August 31, 1979.

But the flesh proved weak. The federal government, seduced by money so painlessly raised, announced in 1978 they were tearing up their agreement. Any attempt to resolve the dispute with the former minister, the Hon. Iona Campagnolo, proved fruitless. Thus we had the absurd situation where two levels of government were competing for the same lottery dollar. What's wrong with competition? the hon. members opposite may ask. Perhaps I could explain my opposition by analogy. Would you approve both levels of government competing to sell liquor? I doubt you would. You would say that governments by encouraging people to purchase their liquor rather than competing governments' liquor would be encouraging people to drink more. Lotteries, like liquories, need no encouraging.

It may pacify the members opposite to know that all this changed on May 22, 1979. So many on this side of the House have had a good deal to say about the Tory suicide squad who operate in Ottawa as they do here, Mr. Speaker. What about self-destructing on issues such as Petro-Canada and the Jerusalem embassy issue? Each of us, I think, have our own list of issues upon which we feel that government invited defeat. But on the issues of lotteries, the PC record is exemplary. Within two months of the election we had signed an agreement turning Loto Canada over to the provinces.

I was enraged, therefore, a week ago to hear the Hon. Gerald Regan, Minister of Sport and Fitness, declare that he'd be reviewing the agreement to see if he had to turn Loto Canada over to the province, and if he did, whether or not the federal government could start up a new lottery. I find that an outrageous attitude, destructive of what that government espouses — co-operative federalism. Surely one of the assumptions upon which co-operative federalism must be based is that various levels of government will deal with each other with honor and keep their word. I think it's just been assumed that various levels of government would not tear up agreements.

That assumption is implicit in our constitution although I've never developed any expertise at constitutional law. I am fairly confident that there is no way we could enforce that former agreement. I doubt we could get an injunction. I doubt we could get damages. It was just assumed by our forefathers that various levels of government would deal with each other in honorable ways. However, John A. MacDonald and the fathers of confederation reckoned without the present Liberal government, for the federal government is looking for a loophole telling minister privately as they have, that they don't care what we agreed to — they are tearing it up. They are going to resurrect old wounds and old wars.

Just one final word on this sorry affair, Mr. Speaker. Anyone who believes the new Liberal are any different than the old Liberals, who were defeated on May 22, doesn't sit where I sit. As the member for The Battlefords so ably said:

All the intervening nine months of Conservative government did was to make that incredibly bad Liberal government look good.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — Mr. Speaker, another highlight in our year in sports and recreation was SaskSport officially coming of age. At last the branch with thousands of supporters and adherents felt their activities come to fruition through establishment of a permanent home. The land titles office building was dedicated to a new purpose. It became the administrative centre for SaskSport. It also became the repository for the SaskSport Hall of Fame. I'm proud to say, Mr. Speaker, that the executive director of the sport and recreation division of the Department of Culture and Youth, Bill Clarke was inducted into the Hall of Fame last year.

Strictly speaking, Mr. Speaker, I think his induction was based on the years he played with the Saskatchewan Roughriders — years of great distinction and many of them. As he has said on occasion, when he left people were joining the team who were in diapers when he started his career. I would like to think, Mr. Speaker, as well, that his many years of dedicated service to the sport fraternity as executive director of the sport and recreation division played a key role in this very high honor.

Mr. Speaker, I suppose that is what one might call a general overview of our departmental affairs. What of the future? Who knows! But in the field of culture and youth the general direction will be the same. We will continue to assist people to improve themselves so that in the words of Thomas Carlyle, each may become all that he was capable of being.

Mr. Speaker, it goes without saying, I will be supporting the budget and voting against the amendment.

**Some Hon. Members:** — Hear, hear!

**Mr. J.G. Lane** (Qu'Appelle): — Thank you, Mr. Deputy Speaker. It is with pleasure that I join the budget debate. The opposition has expressed on numerous occasions its opposition to the budget; in fact it is a second and third mortgage on the future of Saskatchewan citizens. The debt load incurred by the government opposite in the last five years is horrendous. How a province, Mr. Deputy Speaker, with the resources and the potential should have to go into such massive debt is beyond comprehension and it is not sound fiscal management.

The fact that we have virtually squandered away a heritage fund, so that we have approximately \$60 million left out of over \$1 billion, is shameful. I don't consider, Mr. Deputy Speaker, governments which are afraid to give marketing studies necessarily can justify their call for assets. I believe that governments have an obligation — a moral obligation — to be more forthright and table the study to prove to the people that those assets are sound; that the future potential is a good one and that it is no good to spend hundreds of thousands of dollars of the taxpayers' money merely to try and justify government activities, but not spend the equivalent amount of money to prove to the people of Saskatchewan that investments in uranium are sound.

Mr. Deputy Speaker, we have had two very vigorous and different positions taken on the role of western Canada within confederation and I am sure all members heard both the Premier and the member for Nipawin articulate those positions. Today, Mr. Deputy Speaker, in this rather historic session of the legislature, I would like to articulate the Progressive Conservative position. The Progressive Conservative Party has a history of fighting for and defending a united Canada. We are proud of this role and apologize to no one for it. Indeed, the party has made a committed effort and committed policy to fight for and strengthen the regions of Canada. The Progressive Conservative Party today, is Canada's only truly national party, with elected representatives from every province and every territory in Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — In Saskatchewan, the Progressive Conservative Party has been the political vehicle for a man known as one of Canada's most loyal and most patriotic citizens: John George Diefenbaker. To attempt to leave the impression that a member of the Progressive Conservative Party is not a Canadian is an insult to every Progressive Conservative member and support in every region of this country.

As I stated, Mr. Speaker, we have recently heard two positions on Canada and confederation, and Saskatchewan's position therein — one diametrically opposed to the other. One is the extreme position of the member for Nipawin, advocating the dismemberment of Canada and joining the United States, an option I do not believe will be taken seriously by many. Then we have the equally strong and vigorous position taken by the Premier, a position which was a strong defense of the status quo.

Why does the Premier so strongly defend the position of a strong central government? It would seem the Premier of Saskatchewan, Mr. Speaker, is prepared to implicitly assume and accept the right of the federal government to challenge and direct our resources. For example, Mr. Speaker, I point to his acceptance of the national government's right to possibly force development of uranium, should the people of Saskatchewan speak otherwise. That was referred to in this Assembly on Tuesday. For

example, he quietly accepts the national government's right to influence the development of our oil and gas so he has to bargain with Ottawa for benefits from our resources. He starts with the premise our resources are negotiable, not with the premise the resources are our resources. Mr. Speaker, I think it a sorry day in Canada when the Premier of Saskatchewan says the province may have to agree to less than it would like (and this is on the oil find) because the alternative would be a settlement imposed unilaterally by the federal government. What has our system come to, Mr. Speaker, that a government has to back off from a strong position because of a fear of a federal government? That is not the system of confederation we in the Conservative Party envisage.

We don't agree with a system that says Saskatchewan must give up resources for fear of an attack by the federal government. The status quo was argued so vigorously by the Premier is part of the status quo has to be asked, why? And I think the reason is obvious. The Premier is part of the status quo on confederation. He has been Premier since 1971; he has no choice but to defend the existing structure's inequality because he functions in it and will not necessarily benefit by change. He has to defend his actions over the past nine years. He must justify and defend why a situation has developed so that in Saskatchewan two MLAs sit today as separatists; a situation that has developed where there is anger and frustration in western Canada (the anger and frustration is so evident in Saskatchewan); a system that has led to strong regional differences; a system that has led to threats against the very existence of confederation; a system that has led to tears in the very fabric of confederation.

As a Premier he has been a part of and a participant in the very centralist system which is today to be found so sadly wanting. As an active player in confederation and its actions over the last 10 years, the Premier is part of a system which is today in jeopardy a system which today has failed to bring equity and justice and fairness to a significant region of Canada, that of course being western Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — Mr. Blakeney and his government administration have no choice but to defend the status quo. To do otherwise, Mr. Speaker, would be an admission of failure. Therein lies Saskatchewan's dilemma. On careful review of the Premier's remarks of yesterday, I note he made no new proposals for dealing with western alienation. The Premier's speech made no one reference to a proposal for taking the West's issues and concerns to our national government. He acknowledged with concern the impatience of westerners but only the impatience of westerners. He made no proposals. No proposals after nine years of being the Government of Saskatchewan, no proposals after nine years of federal/provincial conferences, no proposals after nine years of dealing with our western provincial allies, not one proposal in that historical debate which started yesterday. He made a defence and a defence only of the status quo.

I ask, Mr. Speaker, in light of the Premier's comments of yesterday, what does western Canada have to do to get action? Grant Devine and the Conservative caucus recognize there is strong western alienation and are sympathetic to the reason for that alienation. The Conservative caucus recognizes western separation is a real and deep concern. The Conservative caucus believes the West has no effective means of communication to voice its concerns and dissatisfaction to our national government. The Conservation caucus believes our existing national government cannot and will not be able to relate to the concerns of western Canadians because it neither understands nor relates to western Canadians. The Liberal Party in western Canada is in no serious way perceived



as a vehicle to deal with western concerns. That is not a recent phenomenon, Mr. Speaker. I don't subscribe all of that to the present leader, Pierre Elliot Trudeau. That same problem existed under Lester Pearson. Certainly though, I believe the Prime Minister of Canada has exacerbated the problem by attitude, by his actions and by a lack of comprehension and understanding of western Canada.

We reject separatism and the western separatist movement. The Progressive Conservatives also reject the status quo as articulated by Premier Blakeney . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — . . . and his support of a strong centralist government. The Progressive Conservatives in Saskatchewan under Grant Devine have continually proposed and today more than ever propose and believe in a third option — the option of opportunity for western Canada and Saskatchewan within confederation.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — We believe western Canada has the ability, economically and intellectually, to solve many of its own problems, be they transportation or the lack of an industrial base, metrication and agriculture, or financial development. We believe we can solve those problems in western Canada by developing anew that spirit of co-operation and self-reliance, the very attributes that built western Canada. We believe the Premier, rather than confronting our other western premiers, should co-operate with our other western leaders.

We believe western leaders should establish a vehicle and lines of communication with each other to build on our strengths and no isolate the differences. We believe the western Premiers must stick together — work together to resolve the differences for national unity and to be able to confront the national government with one voice on vital issues — a voice of strength with economic and political power behind it.

I would rather work with and negotiate with a Peter Lougheed, or a Sterling Lyon, or a Bill Bennett, than have to negotiate alone with a very powerful central government that has a historical record of dividing and isolating the provincial governments within a region.

We're not suggestion that there will be agreement on all issues. And we're not suggesting that there will not continue to be differences of opinion with our western neighbors. But the Progressive Conservative caucus believes negotiations and consensus or agreement prior to the negotiations with Ottawa or with Ontario, or with Quebec, or with the Maritimes will give western Canadians strength in our position. We, as westerners, have more in common with western Canada and we say let's build on that commonality.

Already in this session we have seen more attacks on the Lyon and Lougheed governments than on our national government. I quote the Minister of Highways from yesterday referring to the separatists, asking whether or not they are the advance guard for Lougheed and a new western Canadian party — the stalking-horse as it were. And I'm ashamed to hear, Mr. Speaker, the deputy leader endorse that attack on the Premier of Alberta as being something less than a Canadian. We reject that position of the government opposite.

The NDP has compromised with Ottawa on national energy funds which will cost the people of Saskatchewan \$2 billion over the next 10 years. And I'll repeat that, Mr. Speaker. The members opposite didn't hear that. The NDP has compromised with Ottawa on the national energy fund which will cost Saskatchewan people \$2 billion over the next 10 years. The premier said he would agree to take less than he would like. That's the Premier of Saskatchewan. The NDP has agreed to proceed and agree with the blended price for oil, a position recommended by Canada's major oil producing province, our immediate neighbor. Mr. Blakeney has again further compromised the West's bargaining position — not a credible position for a have-not province.

The Premier argues that now is the time for compromise and conciliation with Ottawa. Progressive Conservatives in Saskatchewan say now is the time for the West to stand together and to stand firm against a strong centralist government. We believe in a confederation, Mr. Speaker, so that eastern Canada need not fear a strong West, and we believe, Mr. Speaker, in a confederation where eastern Canada begins to respect western Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — We believe that there is another way, an option of opportunity for western Canada, an option of unity of spirit in western Canada. If western Canada does not begin to work together, the central government will continue to deal with the western provinces one by one which will only weaken our position and continue to increase western alienation.

We believe than an attitude of co-operation among western Canadian leaders will give western Canadians an outlet for their legitimate frustrations and their legitimate anger. We believe it will be a positive force for western development, growth, and enrichment. Such a co-operative attitude and spirit will allow us to bargain with the centralists from strength.

It's the only way to bring home to eastern Canada and to the Ottawa government our concerns, our frustrations, and our aspirations.

Mr. Speaker, each of us in the Conservative caucus is proud to be Canadian, but we're also proud to be western Canadians and we won't apologize to anybody else in Canada for that.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — I apologize, Mr. Speaker, to no one in this province for being born and raised in this province and I will not be a second-class citizen because I am born and raised in Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — And I am angry, as most westerners are, with a system of government which causes alienation and disharmony. I'm angry with a national leader who prefers confrontation to conciliation. I'm angry with a national government which campaigns by pitting one region against another. But I'm just as angry at our provincial government, which fights other western provinces, and at a provincial leader who prefers to work against other western leaders rather than work with them.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — I am angry with a provincial government whose strongest attacks against eastern institutions are reserved for the Supreme Court of Canada which cannot defend itself.

We believe the western provinces should immediately commence discussion amongst themselves on changes in our national political structures to recognize regional imbalances and to alleviate regional imbalances.

We believe the western . . . (inaudible interjection) . . . yes, the Deputy Premier says, never heard of the western premiers' conferences. We've heard of it but we say that with the western premiers' conferences the benefits are negated when, in this Assembly, from one day to the next around this province, the very people attending that conference are attacking the other premiers and attempting to discredit them within Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — We believe, Mr. Speaker, that the western provinces should begin discussion among themselves to bring about internal structures to solve our transport problems. We believe the western province should commence discussion to establish their own immigration and employment goals. We believe that the western provinces should commence discussion to consider how best to develop and take advantage of western Canadian markets.

To say that a strong western Canada would weaken confederation puts the lie to the rhetoric of members opposite. If Canada can accept Quebec with its own language and culture, basically its own foreign policy, Canada should welcome then a strong, vigorous, vibrant and exciting western Canada. We reject the proposals of the member for Nipawin, but we also reject the status quo of the Premier and the members of the government opposite.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — We believe that the West must stick together, that the West must work together. We do not suggest there will be agreement on all issues or that there will not continue to be differences with our western neighbors. But we believe that negotiations and consensus or agreement prior to negotiations with Ottawa or Ontario will give us strength in our position. Let us, as we say, build on the commonality of interests and aspirations in western Canada.

We believe we are not a colony of Ontario or Quebec and we want to make it clear we are not second-class citizens. We believe we must tell Ottawa and eastern Canada that we in western Canada want, and insist upon, control over our resources.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — And with control of our resources we are perfectly capable and willing to take into account the national interests and legitimate interests of other provinces. Let me say, Mr. Speaker, that opposition to a bad bill that gets rejected by the Supreme Court of Canada is something to be, in fact, proud of. And, Mr. Speaker, if the government opposite hadn't sat down and co-operated with Alberta, B.C., and Manitoba

for a unified position they would have accomplished greater control over Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — Mr. Speaker, we have a belief that the people of Canada, if given the control of their resources and take control of their resources, will make constructive and positive decisions in the national interest, and with concern for the national interest. We, western Canada, must insist that making those choices is part of the acceptance of the responsibility of being Canadians. We will not accept the imposition of obligations of confederation by a centralist government. We believe we are mature enough and responsible enough as a people to offer and co-operate with what's agreed upon to be the national interest. We resent and oppose as do all Conservatives — and I think all members of this House — any effort by the centralist government to take control of our resources either directly or indirectly in so-called national interest. We, in western Canada, are mature enough to use our resources willingly in the national interest, but we don't need to be told what to do. The Premier says 'one Canada' and we agree. But we differ as well and say there must be a new Canada — a Canada that recognized and respects a new, mature and strong western Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — A new Canada that believes, Mr. Speaker, in strong regions — strong regions that can contribute in a positive way to a new spirit of confederation. I would hope the members opposite would see fit to see the advantages of western co-operation rather than confrontation.

**Some Hon. Members:** — Hear, hear!

**Hon. W.E. Smishek** (Minister of Municipal Affairs (Urban)): — Mr. Speaker, we just heard from the president of the political party — obviously an angry young man, an angry young man because as president of the political party he has been the cause of part of the demise of the Conservative Party during the last federal election he is also the cause, or partial cause, of the ongoing defections. He feels guilty. Remember it is just a matter of four years ago he started the defection movement from one political party to another political party. You know I almost sense that he's on the move again in making this speech. Now it was interesting when we watched the leadership campaign of the Conservative Party that the president of the PCs chose not to run. He knew that as possible political leader he stood no chance in getting his party anywhere so he took the other prize so he could have influence with the Clark administration. But that didn't last very long. In fact, as a lawyer, I understand he wasn't even able to negotiate enough agreement to keep himself in good stead for a while.

Now the hon. member is criticizing the Premier. It is interesting, Mr. Speaker, that the PC president would be criticizing Premier Blakeney, a man who is recognized as the outstanding political leader in this country; a man who is recognized as the outstanding premier of this country; a man who has given outstanding leadership in his nine years of service to this province and to this country. I invite the members opposite to take a Premier has attended at the federal-provincial level. I happen to have had the privilege to attend quite a few federal-provincial conferences, and I can tell you this, Mr. Speaker, whenever Allan Blakeney rose to speak at that conference the place was hushed. The people wanted to listen to him. The media people wanted to ensure that

they heard what he was saying, because whether it was on the matter of the Canadian constitution, whether it was on the question of resources, on the question of taxation or health or energy, Saskatchewan was the province that provided the leadership.

**Mr. Speaker:** — Order, order. I think some of the members of the Assembly are being ridiculous. Members will all have an opportunity to contribute to the debate if they have something to contribute, and there will be an opportunity for everyone. I understand we're sitting this evening. There should be lots of time and if the members can keep their interjections and collect them, perhaps they can put them in the form of a speech later on and contribute them toward this debate. For the time being I'd appreciate it if we adhered to the rules of the House and allowed the Minister of urban Affairs to complete his remarks.

**Mr. Smishek:** — Thank you very much, Mr. Speaker. No, obviously I'm hitting a sensitive nerve when the people opposite can't take it. They know full well that Premier Blakeney has given outstanding leadership, not only to this province but to this country, in practically every question of importance to the people of Saskatchewan and to the people of Canada. Mr. Speaker, I was interested in hearing the member for Qu'Appelle setting out some kind of a position on resources. Well we know where the Conservatives stand on resources. They want the resources to be controlled and owned by the multinational corporations. That's what they wanted in the case of potash. That's where they stood on oil and practically every resource, Mr. Speaker. We know where the Tories stand on resources.

Mr. Speaker, I want to begin by congratulating my colleague, the Minister of Finance, Hon. Ed Tchorzewski, for bringing another progressive budget. In reading and listening to the media and the public reaction, I think the people seem to be well pleased with the budget and there is a good reason for this reaction. The budget does much to protect people from inflation and strengthen our economy. In fact, personal taxes and charges for the average Saskatchewan family are the lowest in Canada. Yes, they're even lower than Alberta and all the other provinces, Mr. Speaker. On the other hand, this government has continued to survive and finance impressive levels . . .

**Mr. Speaker:** — The members of the Assembly, I think, should know that we don't refer to members by their personal appellation in this Chamber. We refer to them by the constituency they come from. I'm as generous as anyone in allowing members to make the odd comment across the Chamber, I don't think that harms the rules being applied, but I think when members are consistently calling out across the Chamber the member's name rather than the constituency, or the portfolio the member holds, not only is it a disruption of the member's speech but it is also contrary to the rules of this House I don't know how many times I have to get up and remind the members of this, but all members should be aware of it, if they have at least glanced at the rule book. You should be aware that you are not supposed to do that. It doesn't add anything to the debate I ask members to try and adhere to that.

**Mr. Smishek:** — Mr. Speaker, as I was saying, we have an impressive record of providing services to the people in health care, education, housing, social and recreation. We have good parks to enjoy, good highways and roads to travel on, and first-class schools with dedicated teaching professionals. Our senior citizens are better care for than anywhere else in North America. They receive the benefits of publicly financed health service, nursing home care, senior citizens housing programs, school tax rebates, an income support program, and a home repair plan. We have virtually full employment in Saskatchewan. Our labor laws, for protection of workers

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are superior, and our average wages are among the highest in Canada. The business community is also doing well in Saskatchewan. The construction, manufacturing and retail trade sectors are performing well and our resource industry is the envy of Canada.

Despite the ups and downs in agriculture, caused by forces beyond our control (like weather, international market and prices) our farmers are doing well. They know that they have a government in Regina that is on their side, a government that stands ready to help, a government that has done much to improve all aspects of our diversified agricultural industry. Our young people know there is a good future for them. There are excellent job opportunities and education opportunities for them right here in Saskatchewan. They can also enjoy the many good recreational facilities — parks, boating and skiing facilities to skating rinks and theatres.

The people of Saskatchewan have reason to celebrate 1980 and the budget presented last Thursday will only strengthen their trust and faith in this province and in this government. The only people who are unhappy are the 15 Tories opposite. Not only are they unhappy, they are angry. They have reason to be unhappy. They lost the federal election. They lost seats in Saskatchewan. Their former leader deserted them. Their new leader is on the outside looking in. None of the sitting members wants to resign for fear they can't even win a by-election anywhere.

At the national level, people used to say 'Joe, who?' about their federal leader. In Saskatchewan, they are saying 'Grant who?' or is it 'Grant win' (?)

Since this session opened on November 29, this is the first time I have taken part in the general debate, so let me join with others in this House in extending congratulations to several members of the legislature.

Mr. Speaker, first to the four members who were appointed to cabinet — the hon. member for Lakeview, Doug McArthur; the hon. member for Quill Lakes, Murray Koskie; the hon. member for Morse, Reg Gross; and the hon. member for Prince Albert-Duck Lake, Jerry Hammersmith — I know they are working hard. They have added much strength and new ideas to the Blakeney team. I wish them well. A special note of recognition is in order to the hon. member for Regina West, John Solomon, for winning the by-election last fall. As the mover of the throne speech, he has already demonstrated some of his ability. I am sure we will hear a good deal from him in the months and years to come. I wish him well.

Mr. Speaker, I extend my congratulations to the hon. member for Souris-Cannington on taking over the job as the Leader of the Opposition. He is the fifth opposition leader we have faced since our government took office in 1971. The pay is much better than what it used to be. However, knowing what happened to his predecessor, I'm not sure whether I should wish him well or should wish him job security. Mr. Speaker, in the light of the dwindling Progressive Conservative caucus, it is difficult for anyone to predict what might be happening next.

I want to talk about three aspects of this budget; first, the new Department of Urban Affairs and some of its program and plans; second, the area of housing; third, urban native issues. Mr. Speaker, let me begin with urban affairs. For the new information of the member legislation will be introduced shortly to establish the new Department of Urban Affairs. The new department reflects the growing importance of our urban

communities and this government's commitment to them. The Department of Urban Affairs will provide many excellent programs and services in support of our cities, towns and villages.

Mr. Speaker, the first of these programs is revenue sharing. For 1980, the revenue sharing pool will be \$49 million. This is almost an 8 per cent increase determined by the revenue-sharing escalator. The escalator reflects the performance of our four major provincial tax bases — the sales tax, the gasoline tax, the personal income tax base and the corporate income tax base. In a sense this reflects the growth of our economy. With the introduction of the escalator the three major objectives of the program will be met. First, we have provided urban municipalities with another major source of revenue. Since 1977, Mr. Speaker, grants to urban municipalities have increased 110 per cent. Second, we have strengthened local autonomy by providing most of the funds on an unconditional basis. Third, we have indexed the revenue-sharing pool to the performance of the economy so urban governments can share in our prosperity.

Besides operating grants, the Department of Urban Affairs will provide \$12 million in 1980-81 in unconditional grants for capital purposes. The new program will be similar to the very successful community capital fund which expired at the end of last year. Unconditional capital grants of \$100 per capita will go a long way in helping urban governments finance many needed capital works according to their priorities, Mr. Speaker. Legislation will be introduced later in the session. As soon as the act and the regulation are in place, communities will receive application forms. As well, the Department of Urban Affairs will provide several conditional capital grants, including water and sewer projects. You will notice from the budget presentation and the estimates that have been tabled, the amounts have been increased by more than \$1.4 million. Funds are also appropriated in the Department of Highways and Transportation — \$13.1 million for urban assistance. Another \$7.4 million is provide in the Department of Culture and Youth to extend the term of the recreation and cultural facilities construction program to allow communities to take full advantage of the available grants. Another \$1 million in grants is provided in the Department of Health, for Saskatoon and Regina, to help pay for the public health services they provide. Millions of incremental and new program money is being provided for municipal operating and capital programs. I regret, Mr. Speaker, that some reports contained factual errors which suggested that urban programs are being cut back. This is not so.

In fact, urban affairs and housing corporations will spend \$160 million, in 1980-81 — up \$15 million from 1979-80. This government is committed to making our urban centres a good place to live.

Now, when we took office in 1971, operating grants to urban municipalities totalled a mere \$973,000. This year they will total \$49 million, an increase by fifty fold, Mr. Speaker. Capital grants totalled only \$2.5 million in 1971; this year they will amount to \$25 million. The development and the vitality of our downtown cores is a further example of our desire to improve the quality of life in our urban centres.

On March 19, just yesterday, Mr. Speaker, the first of the downtown revitalization projects — the Weyburn Square — was opened. I know that this project will be a valuable addition to the community of Weyburn and the surrounding area. The Cornwall Centre project will also provide a major stimulus to the city of Regina. Other cities are also considering plans for their downtown core.

Mr. Speaker, for communities with a population up to 6,000, the department provides grants under the business district improvement program. The Department of Industry and Commerce administers the Operation Main Street program. These two programs will provide this year \$1.2 million in grants to help smaller communities improve their business districts. To date, 80 towns, cities and villages have taken good advantage of these programs.

Mr. Speaker, property tax rebates are also provided by the Department of Urban Affairs. A total of \$69 million will be provided in 1980 for the property improvement grants, the senior citizens' school tax rebate and the renters' property tax rebate. In this way we are using our resource revenues to lessen the local property tax burden faced by Saskatchewan citizens.

Legislation will be introduced in this session to extend the benefits of the renters' program to include senior citizens living in tax exempt accommodations, who are not receiving subsidized nursing care. These pioneers of society will now receive renters' rebate retroactive to January 1, 1979.

Finally, Mr. Speaker, the Department of Urban Affairs will provide grants to major urban park developments in Saskatoon and Moose Jaw. Legislation concerning the Wakamow Valley Authority will not be introduced until extensive public consultations are held in Moose Jaw and surrounding areas. This will ensure that all interested parties have an opportunity to contribute to the plan and draft legislation before it is enacted.

Mr. Speaker, I now turn to housing. In 1979, we had another successful year for the building industry in Saskatchewan. There were 11,700 starts recorded in 1979. They represented a 23 per cent increase over 1978 and this year was the third best year on record. This increase in activity was recorded during a year in which starts throughout the rest of Canada were dropping significantly. The healthy Saskatchewan construction industry can be attributed in large part to the buoyant Saskatchewan economy spurred on by government initiatives in resource development. An indication of this is that although activity was up in all major centres, a substantial portion of the increase was focused on Saskatoon, Prince Albert, North Battleford and Lloydminster areas where growth in the resource sectors such as heavy oil, uranium and potash is concentrated.

While the construction industry has been producing housing at near-record rates, this in itself does not mean, Mr. Speaker, all residents of Saskatchewan will have access to good quality housing. I wish this were the truth. The rapid increase in both the cost of buying a house and maintaining it due to increased costs, especially in energy, has made it more difficult for many low and moderate income families and senior citizens to afford housing suited to their needs.

The Saskatchewan Housing Corporation has, since 1973, been actively involved in the construction of housing for our senior citizens and for low and moderate income families who cannot afford to pay market costs for housing. Mr. Speaker, one of our major priorities has been the construction of low-rental housing for senior citizens. Since 1973 the government has started over 6,100 units for senior citizens through the public housing and non-profit housing projects. This high level of activity means we are now beginning to meet a major need in this area. We will continue to place priority on senior citizens housing. The housing corporation is also beginning to redirect the emphasis of its housing towards more production for low and moderate



income families. Moderate income families are being helped through the co-operative housing building program which enables them to afford a new house if they are prepared to contribute some of their own work in building the house. The province makes available mortgage loans as well as monthly subsidies of up to \$150 a month to assist those families who cannot afford the full mortgage payments.

In addition, Prairie Housing Development, a non-profit subsidiary of the housing corporation, has been contributing and it will construct housing for rental purposes geared to the needs of younger families and individuals who are interested in rented accommodations. This program has been of major assistance to the smaller centres in Saskatchewan which require some rental housing but are generally ignored by the private developers.

A good example, Mr. Speaker, of this would be the town of Frontier where the rapid expansion of Friggstad Industries created a need for rental housing for the employees. The company was not in a position to build housing requirements. Prairie Housing Development stepped in and is building 48 rental units in that community. The introduction of an urban-native pilot housing program in '79 will, when combined with the regular family public housing program and the rural and native housing program, make available a wide option of housing alternatives for the low-income families and especially low-income native families.

In 1980-81, Mr. Speaker, approximately \$10 million has been provided in the estimates for native housing. This figure is more than double what we will spend this year. We intend to increase the emphasis on these family housing programs in 1980. However, I am very concerned the interest rate policy of the former Conservative government in Ottawa and the one it appears the new Liberal government is also adopting, will have a major adverse effect on the housing activity this year. The impact on the private rental market may be especially severe, Mr. Speaker, since these record high interest rates have been combined with the cancellation of the capital cost allowance for rental housing, which made investment in this sector of the economy attractive for many investors. With the rapid growth we are experiencing in Saskatchewan, especially in Saskatoon, we can ill afford any drop in construction activities. The impact of high interest rates is seriously felt by many sectors: the building construction industry, the suppliers, manufacturers of housing material, building tradesmen, the list seems endless.

Many young families are being forced to postpone buying their first home because of the high costs of mortgages. And other families who require improved accommodation are reluctant to take this step given today's high interest rates. The co-operative housing building program and the provincial mortgage interest tax credit are of some assistance in this area. However, the major responsibility for these difficulties lies with the federal government and so should the major responsibility for remedying the problem. Assistance of some sort appears necessary at this time both for families purchasing a new home and for those families whose mortgages are rolling over this year at interest rates of up to 15 per cent compared to 10 per cent they paid five years ago.

Mr. Speaker, while I would like to feel encouraged by the recent statements coming from Ottawa that the federal government has placed a high priority on assistance to home owners with interest costs, the past record of both the Liberal and Progressive

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Conservative government is dismal indeed. If they are going to act I urge them to act now. I urge them to act quickly since every day that passes simply increases the number of individuals who face financial hardship as their mortgages roll over.

Mr. Speaker, compounding the difficulties we expect in 1980 the former Progressive Conservative government dramatically cut the federal housing budget for Saskatchewan. Federal housing assistance was cut by 33 per cent this year compared to '79 when funding was barely adequate to meet our needs. I will be in contact with the new federal housing minister shortly to urge in the strongest possible terms that the new federal government reconsider the housing market for Saskatchewan, and provide us with the federal assistance which is badly needed.

Mr. Speaker, this government has always placed a high priority on the provision of good quality housing for our low and moderate income families and senior citizens; but we cannot do it alone. The federal government has an important responsibility in this area which they must not be allowed to abdicate.

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

The Assembly recessed until 7 p.m.