

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 9, 1981

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

WELCOME TO STUDENTS

MRS. DUNCAN: — Thank you, Mr. Speaker. It is my pleasure to introduce to you, and through you to the members of this Assembly, 39 grade 12 students from the town of Gull Lake, which is in the east side of my riding. They are accompanied by their principal, Mr. Ralph Eliasson, and their driver Mr. Jerry Elmslie. Gull Lake, I believe, has a tradition of sending students to watch the proceedings of the House. I do hope they enjoy their visit this afternoon as we debate the budget which was brought down last week. I will be meeting with you at 2:45 p.m.

HON. MEMBERS: — Hear, hear!

HON. MR. SNYDER: — Mr. Speaker, I am very pleased today to have the opportunity to introduce to you and to other members of the legislature 15 business students who are visiting the city of Moose Jaw, from the Quebec Technical Institute in St. Foyer, in la belle province. These students are sitting in the Speaker's gallery. The students are accompanied by their own instructor, Dominique Routhier, and several business students from the Saskatchewan Technical Institute (STI), as well as Mr. Al Evans, the chairman of the business division, STI, Moose Jaw. I understand in the latter part of February a number of STI students visited Quebec as the first part of an exchange which was organized by the Association of Canadian Community Colleges. The students from Quebec are now visiting Moose Jaw and will be with us from March 5 until March 11.

While I am introducing these students, Mr. Speaker, I would like to indicate to you that last Friday, March 6, 1981, I had the very great pleasure to officially open the 'open house' which was held at STI on March 6 and 7. This was an activity which was operated and organized in total by the STI. It was an excellent opportunity for the public to see the facilities at our technical institute. I am sure the STI students who are here today will pass along my congratulations to those students and staff who worked so hard on the open house.

Finally, on behalf of all the members of this legislature, we wish to extend our best wishes for an interesting stay in Saskatchewan, and a good exchange enjoyed by both parties to the agreement. I will be meeting with them a little later at 3 o'clock. I am sure the Assembly will want to extend our best wishes to them.

HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Merci, Monsieur L'Orateur. Aussi aux nons des francophones de la province et des membres de cette Assemblée, c'est aussi un plaisir pour moi de souhaiter une chaleureuse bienvenue a ses jeunes de Quebec. J'espere que vous allez jouir de votre sejour ici dans la province.

HON. MEMBERS: — Hear, hear!

MR. NELSON: — Monsieur le President, moi aussi, je voudrais souhaiter une chaleureuse bienvenue aux visiteurs de Quebec. Nous esperons aussi que votre visite ici sera tres agreable. Il y a deux semaines, quatre membres de cette Assemble etaient a Quebec. Nous avons le plaisir de visiter votre belle capitale et la belle province de Quebec. J'espere que votre sejour ici sera aussi agreable que notre sejour etait a Quebec. Merci.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Court Action over Constitutional Change

MR. LANE: — I would like to direct a question to the Deputy Premier. The government of the province of Saskatchewan today commenced its advertising program of the Saskatchewan position on constitutional change. I wish in the interest of honest advertising that the ad would have said, "Saskatchewan Constitutional Position Today." Because over the weekend the Premier seems to have backtracked dramatically . . .

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

MR. LANE: — My question to the Deputy Premier is: in his statement in Medicine Hat where he said that Saskatchewan will join the court actions or is prepared to join the provinces in a court action, does the Deputy Premier, first of all, have the Premier's approval for this change of position, and secondly, was he in fact speaking for the province of Saskatchewan at that time?

HON. MR. ROMANOW: — Mr. Speaker, the hon. member for Qu'Appelle is in error when he says there is a change in the Government of Saskatchewan position. There has been no change in the Government of Saskatchewan position. The position remains and has remained constant throughout. I shall restate it.

There is no appeal to be taken by us to the provincial courts of the three cases which are currently before the courts, nor are we contemplating any form of legal mechanism to our provincial appeal court. We have not yet decided whether we are going to appeal by way of intervention at the supreme court once, and if, presumably the Manitoba Court of Appeal or other court cases reach that highest body in our country. I think we may very well be obligated to appeal, but we have not taken a final decision on that yet. That has been the position throughout.

MR. LANE: — Would the Deputy Premier be prepared to give the assurance in this Assembly that he will be consistent in his positions both within the province and outside the province? The news reports came back very clear from the teachers' convention to which you spoke in Medicine Hat, that Saskatchewan was seriously considering joining the court challenge. You now say that that is not the case. Would the Deputy Premier be prepared to give the assurance that his position will be the same in the province as it is outside the province — a new direction for the province in the position the Premier and Deputy Premier have taken in the past?

HON. MR. ROMANOW: — Mr. Speaker, I don't know what other answer I can give, but of course. The positions we try to give on this very important subject have to be positions which are consistent inside the province and outside the province. I repeat again that

we are giving very serious consideration to the question of an intervention at the supreme court level. Such an appeal I don't believe has yet been made by the Manitoba officials. Of course the decisions have not yet been handed down in Newfoundland, and the Quebec appeal is being currently heard. We'll have to take a look at the notice of the appeal and the questions which are being raised as the subject matter of the appeal, and very seriously consider whether or not to intervene at that level. The option has always been open to us. That has been the position we've stated from day one, and I repeat it again.

MR. LANE: — Final supplementary to the Deputy Premier. The advertising campaign started today, and it's obvious that it is really government propaganda, and partisan propaganda as opposed to representing the true position of the people of Saskatchewan who, for the vast part, have adamantly opposed Trudeau's constitutional position from the day it was advocated. Would the Deputy Premier today be prepared to state that the ads will be paid for by the New Democratic Party of the province of Saskatchewan and not the taxpayers of Saskatchewan, because they do not in fact represent the true feelings of the province of Saskatchewan?

HON. MR. ROMANOW: — Well, Mr. Speaker, perhaps the hon. member or one of his colleagues in a supplementary question would care to point out for me what it is in this ad that the official opposition does not agree with. For example, the ad talks about why Ottawa's resource stand is still unacceptable. Are they telling us that it is acceptable? next headline is, "Why Ottawa's Amending Formula Does not Satisfy Provincial Concerns." Will they tell us that it does satisfy the PC concerns? "The Role of the Senate" — now that's one area, frankly, where we might disagree since I believe the hon. member for Qu'Appelle and the Liberals believe in the retention of this outdated institution. But basically, I think that they too would agree, leaving that little job aside, that the Senate needs reform.

I'm simply saying Mr. Speaker, that this is a position which I believe has unanimous support of the members of this House. In any event, it is a series of advertisements in which it is our duty to explain our position to the public of Saskatchewan for its consideration in the constitution debate.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — New question to the Deputy Premier. The advertisements very carefully do not state that the province refuses to join in any court action, for the first time since 1961 in any constitutional court case. The ads do not state, as well, that while the federal government had tremendous fear of a unified western position, the government opposite sat on the fence, refused to take a stand, in fact sold out . . . (inaudible interjection) . . .

MR. SPEAKER: — Order, order!

Federal NDP Support for Ottawa's Constitutional Plans

MR. COLLVER: — I would also direct a question to the Attorney General. In his capacity as Minister of Intergovernmental Affairs, the Attorney General will be aware that his party, at a meeting in Ottawa over the weekend, took a firm and definite stand to support Mr. Broadbent in his stand with regard to the constitution and his support of Mr. Trudeau. What is your position? What are you going to do to change the minds of your own party in trying to achieve the stated goals that you mention in this advertisement,

that you have mentioned in this House on many occasions and that you mentioned as recently as Friday night at Medicine Hat? Why are you attempting to change the minds of people in Medicine Hat but not attempting to change the minds in your own party?

HON. MR. ROMANOW: — Mr. Speaker, I will not answer the question on what I will endeavour to do to change the minds of members of my own party, since I am charged in this legislature with the responsibility of answering the actions of the government as opposed to political parties. I think it is no more proper for me to explain about the NDP than I would about the Unionest Party or the rather confused position of your former party, the Conservative official opposition in the province of Saskatchewan. Let me repeat again that I will go everywhere that I can in Saskatchewan and outside Saskatchewan, explaining as best I can Saskatchewan's try at making the resolution better and having failed, our position of opposition, as stated by these ads.

MR. COLLVER: — Supplementary question, Mr. Speaker. Is the Attorney General attempting to have members of this Assembly and members of the Saskatchewan public believe that you do not also represent the NDP, that somehow you are leaving the NDP? If that is true, are you making that announcement to this Assembly today?

HON. MR. ROMANOW: — Mr. Speaker, I am a New Democratic Party member; that is correct to say. But I am not here answering, I don't believe, questions in my capacity as a New Democratic Party member. I could ask the hon. member: are you asking the people of Saskatchewan to really believe that you have truly left the Progressive Conservative Party of Saskatchewan? Are you taking the position that you really don't lead this official opposition still, as I think you do, and would you please make just a little statement on that during budget speech? Of course the hon. member would refuse to do that.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — I believe the Attorney General is attempting to make light of a problem that he himself has said is the most serious one facing this country. I would ask the Attorney General, in the light of the stated stand, the strong stand by Mr. Broadbent and the federal NDP, and given your leadership role in intergovernmental affairs in this province and given the absolute severity of the problem that you yourself have stated to this Assembly, is it not incumbent upon you, as an hon. minister of the Crown and an hon. member of this Assembly, to resign from the NDP.

HON. MR. ROMANOW: — Mr. Speaker, again I don't know if the question is in order. I presume it is. If the hon. member asked me to make a judgment call about my duties as member of Executive Council, to that I would respond. I can say this, to put the questioning perhaps a little bit more at ease for the hon. member. The government is taking the position and I am taking the position of trying to convince everyone that we can, including members of the federal New Democratic Party, about what we perceive to be the dangers of the resolution as it currently stands before the House of Commons. I stated those dangers during the course of the speech on the motion before this House — concerns about the Senate, about the referendum as an amending formula and other aspects. We'll be doing that throughout the piece, Mr. Speaker, I do remind the members of the House that it has caused splits in all of the major parties — the Progressive Conservative Party, the Liberal Party and the New Democratic Party of Canada as well.

Communist-supported Guerrillas of El Salvador

MR. BERNTSON: — A question to the Deputy Premier. Pauline Jewitt, NDP MP for British Columbia, last Friday in the House of commons, urged all social democrats to unite to provide funds for the communist-supported guerrillas of El Salvador. Now, we know that the New Democratic Party takes a degree of pride in being social democratic; in fact the Premier and Leader of the New Democratic Party, a year and a half ago in Vancouver, addressed the world conference of social democrats.

My question, Mr. Speaker, to the Deputy Premier is: will you give the assurance of your government to the people of Saskatchewan that there will be no public funds in any way, shape or form from the government, any government agency or any Crown corporation to the communist-supported guerrillas of El Salvador?

HON. MR. ROMANOW: — Well, Mr. Speaker, I cannot make any such blanket assurance, basically because the hon. member predicates his question on what I believe to be an unsubstantiated fact, at least to the best of my knowledge, that it is a communist-supported revolution.

Let me say that Saskatchewan is but merely a province. International affairs are dictated by the central government at Ottawa. Our financial involvement in international affairs, if I may put it that way, basically has been limited to matters of assistance in humanitarian circumstances, where, regardless of the causes of the dispute, great human suffering has resulted.

The hon. member will know that some members on this side of the House (perhaps even some his side of the House) have raised questions similarly in this area in the past. We have also had a concern on occasion, where violation of human rights has been in evidence. Accordingly, I think the first responsibility lies with the federal government and the Minister of External Affairs of Canada. We have confidence in their administration and determination of this.

Pauline Jewitt was speaking as a federal member to the federal Minister of External Affairs. Our limited role will take place if and when circumstances indicate that there should be some financial assistance to the cause of humanitarian interest.

MR. BERNTSON: — Mr. Deputy Premier, in your limited role, will you give the assurance of this government to the people of Saskatchewan that there will be no public funds spent in support of the guerrillas in El Salvador?

HON. MR. ROMANOW: — Mr. Speaker, if the hon. member is implying somehow that the Government of Saskatchewan is going to be spending money on the guerrillas of El Salvador in their pursuit of their ambitions, or their aim on the government, the member is absolutely and totally wrong. I have already tried to say to the hon. member that our position in international affairs is as I have described — through Red Cross relief agencies, humanitarian concern to those people, regardless of the causes, who are victims, through an appropriate international agency such as the Red Cross.

Now the hon. member opposite may not believe in the works of the Red Cross. He may not give a doggone about the suffering which applies to people generally, but I can say as far as we're concerned, it does not apply.

Firing of Mistikwa Community College Board Members

MR. TAYLOR: — Mr. Speaker, a question to the Minister of Continuing Education. I understand that last Thursday the board members of the Mistikwa Community College were fired. What was the reason for this prompt and abrupt firing of these board members?

HON. MR. McARTHUR: — Mr. Speaker, as the hon. member well knows, the actions I took with regret were not abrupt, and were not done without careful consideration. The hon. member himself raised a question with respect to certain of the matters some time ago in this House. I would say to the hon. member that it is true that after careful consideration of some very complex and complicated difficulties and problems associated with the administration of Mistikwa Community College. I concluded that I had no choice but to recommend to the Lieutenant-Governor in Council that a new board of trustees be appointed replacing the members who had resigned and the five other appointed members. This I did on March 5.

MR. TAYLOR: — My supplementary question is: is the RCMP investigation into the Mistikwa College still continuing?

HON. MR. McARTHUR: — Well, as I think the hon. member knows, and as I indicated in the House the last time this question arose, the RCMP is not accountable to me. It does not report to me on its investigations but of course proceeds with its investigations and any prosecutions that may arise out of those investigations in the appropriate fashion. Therefore, I cannot confirm or deny the exact state of the RCMP investigation at this time, other than to confirm that it is my information that there is an RCMP investigation under way with respect to one particular area of concern.

MR. TAYLOR: — Supplementary, Mr. Speaker. A quote by the minister from the March 2 edition of *Hansard* on the same topic says:

With respect to any RCMP investigation I would not wish to comment on an investigation undertaken by the RCMP. I'm sure the hon. member would realize that it would be neither appropriate nor correct for me to insert myself into any of the activities related to an RCMP investigation.

The Saturday *Star-Phoenix* from Saskatoon, quotes the hon. minister, Mr. McArthur, as saying that:

He regretfully took the action not because he believed that there was any criminal wrongdoing at the college but because some administrative practices were enough out of conformity with the usual that they needed some form of correction. McArthur said he had been informed that some employees claimed travel expenses for a conference they did not attend in any substantive way.

Now, Mr. Minister, how do you square those statements, quoted on the front page of one of the leading newspapers in the province, with *Hansard* on March 2 when you said to this House that you would not inject yourself into the argument?

HON. MR. McARTHUR: — Mr. Speaker, I will confirm again that I have in no way involved myself, directly or indirectly in any investigations being undertaken by the RCMP. I am sure the hon. member will appreciate that there is nothing in my statements quoted, I know not whether correctly or not, by the hon. member to indicate or support

any suggestion that I have in any way involved myself in the RCMP investigations. What I have indicated to the hon. member is that as a result of a number of quite complex administrative problems and difficulties, I concluded that practices within the community college were enough out of conformity with the standard and accepted practices to call for the appointment of a new board of trustees to undertake to resolve a number of the difficulties associated with the management and administration of that college.

Tariff Restrictions on Saskatchewan Beef

MRS. DUNCAN: — I have a question to the Minister of Agriculture. In light of the beef stabilization program that was announced in last week's budget, would the minister please inform this House whether he or officials in his department have had assurance from U.S. officials that they will not treat this program as a subsidy program and that they will not impose tariff restrictions on Saskatchewan beef going south?

HON. MR. MacMURCHY: — Mr. Speaker, I have not talked with officials in the United States about the Saskatchewan Beef Stabilization Program, not do I believe there have been any discussions with the departmental officials or people in the United States. We have been talking with representatives of the farm organizations here in Saskatchewan. As a matter of fact I talked with them about 10 days ago, outlining to them the basic principles that we saw in the stabilization program. And I report to the hon. member that we will be talking to them again before introducing the legislation here in the Assembly.

MRS. DUNCAN: — Supplementary to the minister. concerns about tariff retaliation by U.S. officials were raised with you, I think, by the Saskatchewan Stock Growers' Association some time ago. On December 2, 1980, you gave assurance to the member for Souris-Cannington that a plan wouldn't be implemented unless there were producer input. Are you saying today that even though these concerns were raised with you some months ago you have not looked into the possibility of a far-reaching devastating effect on the beef industry in Saskatchewan by the actions of U.S. officials?

HON. MR. MacMURCHY: — Mr. Speaker, in response to the hon. member for Maple Creek, I believe I have been in keeping with my response to the hon. member for Indian Head-Wolseley, Souris-Cannington, or whichever one she was referring to, that in fact before we implemented such a plan we would be discussing it with various farm organizations in Saskatchewan. We have done that. We are in a further situation where we plan to do more.

I was pleased, Mr. Speaker, with the response coming from the farm organizations on the proposed stabilization plan as outlined by the Minister of Finance. I will be speaking further on this subject to the SARM (Saskatchewan Association of Rural Municipalities) convention on Wednesday.

MRS. DUNCAN: — A supplementary to the minister. I am sure you are aware, Mr. Minister, that about \$8 out of every \$100 in the beef industry comes from the U.S. market. I am sure you are also aware that presently the U.S. hog producers are pressuring the Department of Agriculture in Washington to impose some type of tariff restrictions on pork coming into the United States. I am asking you again, will you at least take up these concerns and look into them? You have had months and months to do it.

HON. MR. MacMURCHY: — Mr. Speaker, I find it difficult that the hon. member opposite

should ask us to talk to people in the United States before we fully discuss this subject with the people in Saskatchewan.

I report, Mr. Speaker, to the hon. member and continue to report to her, that we are in discussions with the farm organizations and beef producers in Saskatchewan and that not all are in the southwest part of this province. There are beef producers all over this province.

May I say to the hon. member opposite that it is interesting that less than a year ago, when we were facing a serious drought situation in this province, it was the hon. members opposite who were on their feet — these supporters of the free market, these supporters of moving cattle across the border . . .

MR. SPEAKER: — Order, order!

Chart Showing Provincial Tax Savings

MR. ROUSSEAU: — Thank you, Mr. Speaker. A question to the Minister of Finance. Mr. Minister, last week in the budget which you delivered on Thursday and which you subsequently tabled, on page 35 you indicate certain provincial tax savings in a chart showing the 1981 tax as opposed to the 1980 tax. Will the minister explain why he is attempting to take credit for those amounts shown in the savings when in fact all or most of those are a result of the federal tax indexing?

HON. MR. TCHORZEWSKI: — Mr. Speaker, on page 35 in the budget speech with the table I am indicating what the tax savings Saskatchewan taxpayers will have in a full year. The tables are accurate. They indicate that an income earner earning \$15,000, with two children, will save \$136 in taxes because of tax reductions which are going to take place for a full year.

MR. ROUSSEAU: — Mr. Speaker, a supplementary. Mr. Minister, are you not aware that 2 per cent of about \$1,200 is really only \$24, and that is really what your budget has called for, not the saving which is shown here? This saving is in fact a result of the federal income tax indexing. Your 2 per cent reduction amounts to only \$24 to \$30 on incomes between \$15,000 and \$25,000.

HON. MR. TCHORZEWSKI: — Mr. Speaker, I am aware that we have reduced Saskatchewan income taxes from 53 per cent to 51 per cent of federal tax. Therefore, there are benefits that Saskatchewan citizens will receive in a major way.

I want to point out further in answer to the member's question that in Saskatchewan, because we don't have a health premium, in fact our tax rate is lower than it is in the United States where they do have a health premium. If they did not have, their tax rate provincially would have to be 56 per cent, rather than the 51 per cent which we have in Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATE

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Tchorzewski, "That this Assembly do now resolve itself into the committee of finance."

MR. ROUSSEAU: — Thank you, Mr. Speaker. Before I proceed with my reply to the budget, Mr. Speaker, I just want to make one comment. Last week before he delivered his budget speech, the minister was kind enough to deliver to me a copy of the budget. At that time I should have thanked him for it and acknowledged it. I will do so today. Thank you.

Mr. Speaker, as finance critic for the official opposition, it is with a sense of serious concern that I rise today to respond to the budget of the province of Saskatchewan. These are not ordinary times in the history of Canada and Saskatchewan. The socialistic economic policies of the past decade have put the ship of state on perilous course. Indeed, to continue the dangerous fiscal course of action of the last decade would be tantamount to having first-class tickets on the Titanic.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, I begin my remarks on that 2 per cent budget and the state of the economy of this province on an alarmist note. The economic policies of this administration coupled with those of their brethren in Ottawa not only spell disaster, they threaten the freedom of every citizen of this province. It is my duty, as finance critic for the official opposition, to scrutinize, review and criticize not only the budget, but also the state of Saskatchewan's economy. That, Mr. Speaker, I intend to do.

I also intend to place before this Legislative Assembly a Progressive Conservative blueprint for economic common sense, a plan that would put the ship back on the right course.

There presently is an economic and moral crisis in our province. There can be no doubt that this is the result of nearly a decade in office of a government that is more concerned with the play of politics than the pursuit of progress.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, this province is plagued by the perils of too much government. The result has been record inflation, record-high utility rates, record taxation and a rapid erosion of freedom.

Today, in Saskatchewan, we have a government that simply is a redistribution machine run amuck — one in which an elitist group of people keep taking wealth out of everyone's pockets and redistributing it for a variety of purposes that it, alone, deems important. It is so preoccupied with the redistribution of wealth that it has forgotten how to create.

Allegedly, this redistribution is supposed to be humanitarian. But, in reality, it only serves to give the government more power, and ultimately, to take away freedom from the people.

In this serious time in Saskatchewan's history, the government has become part of the problem and not the solution.

Mr. Speaker, the strains of high taxes, the frustration of trying to keep pace with inflation, the fear of unemployment, the burden of taxation, the humiliation of bankruptcy, the feeling of being stifled by government are all resounding reasons why there must be a return to economic common sense.

Today, Mr. Speaker, in my capacity as finance spokesman for this official opposition, it is my intention to address my remarks to the following areas of concern:

1. The contents of the budget and, more specifically, its failures.
2. The most important issue facing people of Saskatchewan today — inflation.
3. The energy issue.
4. And finally, Mr. Speaker, I shall outline the Progressive Conservative blueprint for economic common sense.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — During the last decade, Mr. Speaker, the people of Saskatchewan have been subjected to a continual barrage of propaganda for the government of this province. The rhetoric would have you believe that because of our vast resources, somehow magically or mysteriously Saskatchewan would become wealthy, that suddenly our new-found wealth would erupt and that we would not only have the good life today but that our future generations would reap the benefits of those newly discovered bonanzas.

The minister responsible for SGI (Saskatchewan Government Insurance) has said that the cause of massive increases in SGI rates was our economic boom. In reality, Mr. Speaker, we should have an economic boom, but where is it? We do have the resources; we have vast resources in Saskatchewan. An official of Barclay's Bank of England last week said that Saskatchewan has more long-term potential than any other province, including Alberta.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — He went on to say that Saskatchewan can fairly well be described as a sleeping giant. Well, Mr. Speaker, it has been the Rip Van Winkle of the 20th century. To prevent full exploration and development is inexcusable. We will remember the oil fever of the 1950s. We will remember the predictions of the NDP when potash was the big news in the '60s and, of course, even now they raise our hopes and expectations with uranium. For years, we've been listening to ad campaigns — campaigns which have cost and are still costing millions of taxpayers dollars — telling all of us of our benevolent Crown corporations which supposedly provide us with better service at lower costs. All this propaganda is not to create wealth but a wealth mentality.

Mr. Speaker, if we are so well-endowed with all of this wealth, why then are the citizens of Saskatchewan paying directly from their pockets 70 cents out of every dollar which is received by this government? Seventy cents, Mr. Speaker, of budget revenue is direct taxation on the people of this province. Further, Mr. Speaker, why is only 24 per cent of the revenue coming from our resources? And why, Mr. Speaker, are the utility rates and

insurance rates in this province among the highest in Canada? And they are!

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU — The latest burden to the people from the NDP government is massive increases in SGI rates which will long be remembered by the people of this province. Mr. Speaker, there has been a 48 per cent increase in 14 months — 48 per cent in 14 months — Not only because of bad drivers as claimed by the minister, certainly not because of an economic boom as again claimed by the minister, but because of bad management. Even that wasn't enough. In that same period of time, a 200 per cent increase in licence fees. What do we get for these increases? We are told we now have to pay \$350 for every accident instead of \$200. That is what we received, Mr. Speaker. such a benevolent humanitarian government.

And that raises another question. Why, if we are such a social-minded province, as preached by these socialists, do we place seventh and eighth in Canada, in our education, in our health programs and in our social services programs?

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, that reminds me of a speech that the Premier made in this Assembly last December. He said, and I quote:

We will stack our record on social services, on education and on health against the record of any government in Canada, particularly any Tory government.

My reply to the Premier on such a ludicrous statement as that is simply this: you may want to stack up your record against ours but it won't stand up against the Progressive Conservative governments in Canada, not when almost all of them spend more per capita on all of these services than does the NDP government in Saskatchewan, even some of them that are have-not provinces.

Mr. Speaker, we heard last week of the people in Saskatchewan living below the poverty line. Fifteen per cent of our population, 150,000 people in this province, are living below the poverty line. That is higher than the average in Canada. Thirty-seven and one-half per cent of the unattached are living below the poverty line. And they believe in social welfare, in health and in education? This is the International Year of the Disabled as proclaimed by the United Nations. The Government of Saskatchewan has benevolently allocated \$1.9 million for the rehabilitation of the disabled — a mere pittance considering what they have spent the last three years researching and preparing the report on the task force for the rehabilitation of the disabled, and he is still sitting on it today. The Kinsmen raised that much money over the weekend.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — . . . and they talk for three years. The minister has had that report since early January and it is inconceivable that they would be so inconsiderate. These people want to be productive and any and all funds spent for these people would not be a cost to the taxpayers, but an investment and the return would be tenfold or even a hundredfold. All of this, Mr. Speaker, in a so-called economic boom. I say so-called because that's what the Minister of Industry and Commerce calls it.

No longer are the people of Saskatchewan prepared to accept, without fact or evidence, your incorrect political propaganda, for example, that blatant falsehood of your last campaign — “Don’t Let Them Take It Away.” I refer to the medicare and health care lie, that’s what I refer to.

Mr. Speaker, those are some questions that deserve some answers, and those answers could vary from incompetence by the government to half-truths, and to lack of direction. In all fairness I will say this: they’re not really and completely incompetent; they are masters at marketing the myths as “Our Great Economic Boom.”

Speaking of myths, I would like to refer to page 7, fourth paragraph. I know these people have taken credit for a lot of things in the past, but this one has to take the cake. With Allan Blakeney’s leadership we have a steady and a significant population growth.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — I have also wondered why they look so tired over there. Mr. Speaker, on a scale of 1 to 10 I would give them a 10 when it comes to selling their half-truths, myths and schemes to the people of Saskatchewan. However, falsehoods have a way of eventually defeating even the best of propaganda artists, and the people of Saskatchewan are today asking themselves the very same questions — questions like, Mr. Speaker: Why are my taxes so high? Why is my power bill so high? Why is my care insurance so high? Why, though I am earning more, am I able to buy less? Why is my income below the national average? Why are my property taxes so high? Why am I paying so much for gasoline — more than in Toronto? And why am I paying so much tax for gasoline? Twenty per cent of the gas now is tax for the Government of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Why is my telephone bill so high? Why are stores like Simpsons closing down, affecting the employment of 470 people? Why are the oil rigs leaving? Why, for example, is the sawmill in Meadow Lake closed down? Why is the government buying existing companies like the Prince Albert Pulp Mill? Why are they not developing in other sectors instead? Why are so many businesses closing down? Why, why, why, why?

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — I could spend the next hour, Mr. Speaker, answering these whys. I could talk about waste or incompetence or government acquisition or political patronage, and so on. But I would rather talk about the alternatives, about what the alternatives would be when our Progressive Conservative government would address these economic problems about what direction we would take to achieve a prosperity and security that the people of Saskatchewan deserve.

Saskatchewan people are not strangers to struggle, but the time has come to allow them to reap the rewards of their struggles — a reward that has been denied the people of Saskatchewan by the members opposite. I will, Mr. Speaker, in the concluding part of this speech, outline by Progressive Conservative economic strategy — a blueprint for economic common sense. You know, Mr. Speaker, we all know that there is a difference between NDP and PC philosophy. However, what many people do not realize is that the NDP policy as preached is very different from the one that is practised. They

talk of resources for the people, but what they practise is resources from the people. And do you know what it's called. It's called taxes. For example, 70 per cent of their revenue comes directly from the taxpayer's pockets. They talk of Crown corporations, of preventive service at lower cost, but what they really practise is Crown corporations to provide ivory towers and board room luxuries for their elite political friends at the taxpayers' expense. The latest plum, for example, Mr. Speaker, the appointment of Mr. Messer to Canpotex at a salary of close to \$100,000.

Is it more than that? The member for Rosemont says it's more than that. Well, I didn't know.

They talk of redistribution of wealth without any awareness of how to create wealth to redistribute. So their major source of wealth is from the taxpayers. They take rather than provide. You know, Mr. Speaker, building and sharing go hand in hand. You cannot share without first building or creating, unless, as this government does, you do it through taxation. That is not building; that is destroying. It is destroying initiative. It is destroying ambition. It is destroying the desire to develop and to expand. Mr. Speaker, it destroys the desire to create. We believe the solution is in the creation of wealth from our resources. be they renewable, such as agriculture, timber, fisheries, tourism, or be they non-renewable, oil, minerals, or be they industrial, the resources of this province could provide most of the funds needed for our social program, and hence, remove the burden for the backs of the taxpayers.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, we could lower income tax, we could remove the sales tax. Utility rates could be frozen, or held, but only if we take a sensible approach to the development of our resources and to our industrial expansion.

I just want to mention here that the minister announced last week again this was a balanced budget. Four years in a row they announced a deficit budget. Last year they announced a balanced budget. But one thing they haven't learned how to do yet is balance the books. We had a balanced budget last year but we were \$60 million short in reaching it. So there is a very fundamental difference between balancing a budget and balancing the books, Mr. Finance Minister. If I were a betting man, I would say that we are very, very far away from balancing this budget, or at least the books, this year.

The text of the 2 per cent budget (maybe I should call it a two-bit budget, Roy) speaks of the great things which this NDP government is doing to help the people of this province fight to survive in an inflation-riddled economy. Unfortunately, this is a rhetorical claptrap. The budget speaks of Saskatchewan suddenly as a have province, with a boom economy (to use the pet expression of my hon. friend for Saskatoon-Nutana) which has been activated by a series of resource bonanzas. Mr. Speaker, if this is indeed the case, then why hasn't the current government come up with some really substantive fiscal policies which would truly help our citizens fight the one true enemy of our times. That enemy is inflation (besides you guys).

Why give a 2 per cent tax cut to a senior citizen (which might add \$30 to his annual disposable income, if anything), or to student, or to a single parent, or a handicapped person, when they likely don't pay any tax anyway? Now I brought this up in question period today, 2 per cent of \$1,500 is \$30. Mr. Speaker, 2 per cent of \$2,000 (and that's on the scale of what the figure would be on \$15,000 to \$25,000 income) 2 per cent of

\$2,000 is only \$40 and half of that this year is only \$20. Now big deal, big deal!

The fact is, Mr. Speaker, that 2 per cent of zero dollars is a net benefit of zero dollars, no matter how you slice it. Why make hollow concessions like this while you continue to gouge the citizens through the utility rates and the premiums that SGI, SPC and Sask Tel charge? We just had the report tabled on our desks last Friday. Mr. Speaker, of the \$25 million profit again made by Sask Tel, and you just watch those rates go up again this year.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Why take 30 cents a gallon from him every time he buys a gallon of gasoline? Why charge him 5 per cent sales tax on virtually everything except food and including the Sask Tel and SPC charges? Why not give the citizen of Saskatchewan a real break while he attempts to wage war on inflation — a war of which the Government of Saskatchewan is a prime cause?

Last week, Mr. Speaker, I offered a number of really substantive suggestions that would truly help the people of Saskatchewan in their battle against inflation. They included a 10 per cent across-the-board reduction in provincial tax revenues. What we got instead was a 2 per cent cut. You know, Mr. Speaker, it was a virtual spit in the bucket, which in reality will only help the higher wage earner.

In those suggestions, Mr. Speaker, I suggested a one-year freeze on utility rates. I suggested the creation of a public utilities review commission which could police utility rate increases and protect the people of Saskatchewan from unfair and unjustifiable rate or premium increases.

I suggested a reduction in provincial oil royalties for Canadian companies operating in Saskatchewan . . . (inaudible interjection) . . . That's right; they're gone because of your policy. They have left. The member for Saskatoon-Centre said there aren't any. He's right; they've gone. You're right, Mr. Member for Saskatoon Centre. The aim is to equalize provincial royalty structures to allow companies operating here to make a small profit, or at least break even, and put them on a competitive footing with companies operating in Alberta. This would slow down the number of companies shutting down their operations in Saskatchewan and moving their rigs to Alberta and the United States. Perhaps it might even promote increased expenditure on exploration and development that have been adversely affected by the federal national energy program and the provincial taxation policies.

I suggested a senior citizens' sales tax rebate program. A rebate program for this sector of our population would mean an estimated \$4 million to \$5 million in additional spending power for them. As my colleague for Indian Head-Wolseley says, they deserve it.

We suggested the reinstatement of the farm cost reduction program to allow the farmers, whose occupation is a high consumer of energy, some shelter from ever increasing energy prices.

We offered the suggestion of a \$100 million mortgage interest program, in which the interest would be 0.5 per cent about the government borrowing rate, to bring housing starts back (and sales, by the way) to an acceptable level and at the same time generate \$300 million to \$400 million in spinoff to the construction and the forestry

industries.

We suggest the establishment of a one-year, short-term loan program to help people who are facing mortgage renewals at outrageous rates and who could lose their homes because they cannot afford the new rates.

I also suggested the expansion (and the Minister for Industry and Commerce will tell you the program he has is not worthwhile, or worth less) of the inventory assistance program to assist small businesses that are currently paying high interest rates to carry their inventory. If you don't agree with me, if you figure \$240,000 for the province is great, Mr. Minister, just continue agreeing.

Also amending The Income Tax Act to allow tradesman to apply the cost of their tools against their income. Those people are considered second-class citizens by the members opposite.

And implementation of a comprehensive program for the care, treatment and rehabilitation of the physically handicapped of all ages. Those suggestions, Mr. Speaker, fell on the deaf ears of the Minister of Social Services and Health, back there.

We further suggested the reduction of the level of education and health, or the sales tax as it is better known, by 1 per cent for the next five years, until it is completely removed.

But these are not our only suggestions, Mr. Speaker. We have also proposed in the past a rural natural gas distribution system to provide a necessary and economical fuel source to towns, villages, hamlets and farms in rural Saskatchewan which utilizes a resource indigenous to our province.

Mr. Speaker, we further suggested increased government transfers to municipalities to enhance and develop municipal capital projects, such as water and sewage systems . . . (inaudible interjection) . . .

The member for Turtleford . . . I must answer that comment, Mr. Speaker. He said, "Put a figure on it." For the simplicity of this, all you have to do is as the Government of Alberta what it cost to do the whole province of Alberta where it has already been done.

We have suggested government participation in the creation of processing facilities for our agricultural products; government assistance in getting a heavy oil upgrading facility built at Lloydminster; increased government involvement in the expansion of the renewable resource sector, including the tourism and forestry sectors of our economy. And there were many more suggestions, Mr. Speaker.

These are measures that would really help the citizens of Saskatchewan to enjoy a higher standard and quality of life. And they are measures that are either missing or have been given lip service in that 2 per cent budget of the government opposite, a 2 per cent budget which has shifted taxes, rather than reducing them, from 2 per cent off the income tax (meaning very little to anyone) to increased taxes in gas sales, increases in utility rates, increases in corporation capital tax (by the way, a tax which is ultimately paid for by the consumer) and token assistance to lobby groups, rather than concentration on needy groups such as the disabled.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, let us spend the next few minutes addressing the real issues facing the people of Saskatchewan, the first being inflation:

Milton Friedman has said, and I quote:

Inflation is a form of taxation that has one very special feature. It's the only form of taxation that can be imposed without anybody voting for it.

I contend, Mr. Speaker, that the present Government of Saskatchewan has been the significant contributor to inflation.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — They have eroded freedom and economic well-being in the name of inflation. We must declare war on inflation. But I wonder what results we can expect from a government that is working with the enemy. Progressive Conservative government would make government a leader in combating inflation and not a contributor.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Government spending, in many ways, is inflationary. In the battle against inflation, I want to remind this Assembly that last year I introduced a motion in this Assembly calling for the establishment of a public utilities review commission. The members on this side, Progressive Conservative members, would have voted for this motion and they wanted to, but the government members, the NDP, were opposed to it. The member for Saskatoon Riversdale, our very own Attorney General, adjourned debate and consequently forced it to die on the order paper. Many of them have publicly stated that they oppose the concept or the establishment of this commission and would not allow one even though, Mr. Speaker, seven of our provinces in Canada and all 50 states in the United States have such a commission.

We, Mr. Speaker, are committed to establishing one when we form government. The purpose of this commission would be to review the applications for rate increases requested by utility corporations — not only your power, gas or telephone costs but it could also include transportation, freight rates, insurance costs and many others. That is what you would call combating inflation. Saskatchewan's family of Crown corporations has total retained earnings exceeding \$1.1 billion and that was a year ago. I don't know what it is today, but it is a lot higher. Yet utility rates and premium charges are still being raised, both regularly and unfairly in this province and there are many examples.

Sask Power rates have risen 17 per cent to all SPC electricity consumers in the last 18 months and 30 per cent for commercial customers. That is always passed on to the consumer. Gas rates have increased 27.5 per cent across the board in the same period of time. SGI rates have risen 48 per cent in 14 months. If the truth were known it's a lot more than that. Sask Tel rates have increased 12 per cent. Undoubtedly, Mr. Speaker, all of these will be raised once and perhaps two times again this year. Why, Mr. Speaker, must the rates and the astronomical profits of these monopoly Crown corporations keep rising every year? Why must the captive consumer continue to be gouged? It is the height of hypocrisy on the part of the NDP to complain loudly and consistently that the destiny of the people of Saskatchewan is being controlled by foreign-owned

companies, whether they are owned out-of-province or out-of-Canada, and therefore they must be nationalized. Ironically, the Saskatchewan government owned big corporations — Sask Tel, SGI, Sask Power — have retained earnings approaching half a billion dollars and have their consumers, through their monopoly position, by the throat.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Is this the NDP concept of justice and fair play — to replace the so-called vampires of foreign-owned companies who bleed their consumers dry with home-grown Saskatchewan vampires? The role of the provincial government is not, Mr. Speaker, to make huge profits at the expense of the private citizens of Saskatchewan through Crown corporations.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — It is, instead, to provide the citizens of this province with services such as power and telephone at a reasonable cost.

When the Progressive Conservative Party becomes the government of this province, we will immediately (and I want to repeat that, Mr. Speaker) freeze utility rates to allow the citizens of Saskatchewan to truly benefit from the \$1.1 billion profits that they helped to generate. The people of Saskatchewan deserve it and they must be protected from inflation.

We have in Saskatchewan a 51 per cent personal income tax rate. It's among the highest in Canada. When you add the 12 per cent surcharge in Saskatchewan, it becomes the highest. Again, Mr. Speaker, this is inflationary.

It is interesting to note that a 10 per cent reduction in this tax revenue would reflect only approximately \$35 million in reduced revenues to the government. This is not a very significant amount when applied to the total budget, but it is very significant when applied to additional purchasing power in the hands of the people concerned. Why should our income tax rate be among the highest in Canada when our per capita incomes is 9 per cent below the Canadian average? This is some testimony to the NDP myth that things are economically rosy in Saskatchewan.

I challenge this government to wake up to reality and find the intestinal fortitude to declare war on inflation. History has proven, Mr. Speaker, that governments that have failed to deal effectively with inflation have brought ruination to their respective societies. From ancient Rome to modern day, inflation has crippled many a society, and governments have aided in bringing it about.

The challenge is great; the cause is urgent. We must do battle with inflation and a PC government in Saskatchewan would do just that.

If the government fails to protect senior citizens on fixed incomes, wage earners, small businessmen, indeed, all of society, whom can the people count on to protect them? Simply stated, the present government has failed in that endeavor, and that must be changed.

And so, I wish to restate the Progressive Conservative common-sense approach to

dealing with inflation: the implementation of a one-year freeze on utility rates; the creation of a public utilities review commission; reducing the cost of government administration whenever and wherever possible, reducing unnecessary government regulation and red tape, and reducing government acquisitions in the areas of the private sector where government has no business being; eliminating political patronage, patronage being one of the few areas in which the present government excels and which has an incredible negative effect on the cost of government.

There are many others, Mr. Speaker. These are practical and realistic ways of dealing with inflation at a provincial level.

Mr. Speaker, I would like to turn now for a few moments to the area of energy, which is the third area of concern. It is a concern in western Canada, indeed in all of the world. The energy industry in Saskatchewan is in trouble today. The causes are very obvious and they are two in number — the Trudeau government in Ottawa and the Blakeney government in Saskatchewan. Let me explain.

Before I go into why the industry is in trouble in Saskatchewan, let me explain why this should not be the case. Saskatchewan historically has been the second largest producer of oil in Canada, and oil, until very recently, has been a very profitable industry. Saskatchewan has large proven reserves of medium-gravity and heavy oil. Why then are they not being developed?

On October 28, 1980, the Trudeau government brought down a so-called budget which basically was the first step in a planned takeover of the energy industry in western Canada. The budget did several things. It imposed a new tax on oil and natural gas producers of 8 per cent, virtually at the wellhead, which took away most of the profits that producers would make drilling around Saskatchewan. This tax increase was translated into an increase in your gasoline and heating fuel bill.

It allowed the federal government to claim 25 per cent ownership, and hence the profits on oil and natural gas found on Crown lands.

It allowed the federal government through Petro-Canada to buy up any existing foreign-owned oil company and charge it to the Canadian taxpayers. And in light of the Trudeau government's recent purchase of Petrofina, the Canadian taxpayer will very soon see his gasoline prices jump by 16 cents per gallon.

It talks once again of building the heavy oil upgrading plan at Lloydminster, a subject that's been discussed for at least 10 years.

It adjusts the revenue-sharing arrangement for oil and gas profits by the federal and provincial governments, and the oil and gas producers so that the federal government gains 12 per cent more revenue at the expense of the producing provinces and the oil and gas producers.

This, Mr. Speaker, will amount to several hundred million dollars to Saskatchewan in the next 5 or 10 years. But let's look at how Pierre Elliot Trudeau's national energy program affects the average consumer in Saskatchewan. let's go back a little over a year ago when the Joe Clark government was defeated. It was defeated over an excise tax that would have added 18 cents per gallon to your gasoline bill. Throughout the 1980 election campaign the Trudeau Liberals promised that if elected they would keep gasoline prices down. They believed that 18 cents per gallon was exorbitant and unfair

to the consumer. Many Canadians, especially in eastern Canada, believed the Liberal promises and returned the Liberals to power, aided, I might add, by the NDP and members across. The rest of the story is history now.

With the Liberals in power in Ottawa, gasoline prices have jumped not 18 cents, they have jumped 45 cents per gallon in the last 12 months. And they are scheduled to jump again. They are scheduled to jump again probably by 15 or 16 cents per gallon, once we get the final bill for the purchase of Petrofina.

In short, the Canadians will have traded off an 18 cent price increase under Joe Clark for a 61 cent price per gallon increase under Pierre Trudeau. As I said earlier, the Joe Clark government was defeated for a proposed 18 cent increase on the price of a gallon of gasoline. Yet that defeat was engineered by the federal Liberals with the substantial aid of the NDP caucus, both provincially and federally. And I might add that this NDP support of the Liberals is a thing that Canadians have been witnessing since 1972.

Saskatchewan NDP members, and I want to repeat that, Mr. Speaker, the Saskatchewan NDP members have defeated the strong western cabinet voices of Joe Clark, of Don Mazankowski, and of Roy Hnatyshyn for those two intellectual giants, Senators Bud Olson and Hazen Argue. Now that is hardly what I would call a fair trade. After nearly a decade of Liberal - NDP support I have to wonder whose ideology has been tainted by the other.

What does the NDP stand for? What is its real position on the Trudeau constitutional package? Right in Regina divide Albert Street, the city in two, and you'll find one thought on one side and you'll find another one on the other side. You'll find one NDP member of parliament supports Pierre Trudeau. The other members supports Broadbent. What do they believe in, Mr. Speaker? What is their position on the national energy program? On uranium? Are you for or against the crowrate? Are you with the position of the Saskatchewan Wheat Pool? We have been trying to find out. We hear different opinions on the same subjects, depending on whether they are being stated by Ottawa or by the Saskatchewan NDP members. Do you really have a common ground? On the subject of the purchase of Petrofina, what have we gained by the Liberal government's purchase of this already existing oil company? First, we have gained about a \$1.5 billion debt which will be paid for by every gasoline consumer every time he buys gas; 16 cents per gallon, plus another 20 per cent in Saskatchewan, I might add. That's really going to come to almost 20 cents. Secondly, we gain a small string of gasoline stations in Ontario and Quebec. Thirdly, we gain another lesson about the poor financial administrative abilities of our federal government, having discovered they have paid nearly twice as much for Petrofina as it was actually worth. The result of that deal is that if we must pay for purchasing such a company (at least if the Trudeau government were a good financial manager) our gas bill should have only gone up by 8 cents and not 16 cents.

Finally, have we gained any new oil and gas exploration by the NDP and by the Petrofina acquisition? Of course the answer is no. Why then are companies moving out of Saskatchewan? Let's just take a moment to consider an example. Besides the extra tax burden placed on oil producers in this province by the national energy program, the NDP government's taxation and royalty scheme does much to discourage investment in this province. An average oil operation. . .

AN HON. MEMBER: — How about Alberta?

MR. ROUSSEAU: — I'm coming to that. An average oil operation in southwest Saskatchewan produces about 25 barrels a day or about 750 barrels a month. Its profits after taxation, plus royalties, plus operating costs are as follows. I'll give you the profit to begin with and I'll tell you how it's made up. It's not a profit; it's a \$1.02 loss on every barrel of oil. How is that arrived at? The wellhead price in 1981 is \$17.85. The operating costs are \$4.19, leaving operating an income of \$13.66. Provincial royalties are \$9.37; federal income tax \$3.56, the provincial one, 60 cents, and the new PGRT (petroleum gas revenue tax) \$1.13. Add it up, Mr. Speaker; it leaves \$1.02 loss on every barrel of oil.

As you can see, there is a very large royalty taken by the provincial government: \$9.37 or 50 per cent — 49.5 per cent to be exact. Is this royalty charge exorbitant in contrast to other jurisdictions? The same oil well royalty in Alberta is 19.5 per cent or about \$3.50, almost \$6 per barrel less than the Saskatchewan rate. When this is combined with the provincial government's floating 20 per cent gasoline tax charged at the pumps, currently costing the consumer 30 cents per gallon (and shortly it will be 40 cents) and the 3 cents per gallon on top of that, gas pump charge paid to SGI for the mismanagement of that Crown corporation, neither the oil producers, nor the gasoline consumers have much cause for optimism. Why has all of this happened? It has happened, Mr. Speaker, because the Premier of Saskatchewan has spent the last six months attempting to court Prime Minister Trudeau on the constitution. It has happened because the Premier has spent so much time trying to generate a positive statesmanlike image for his friends in central Canada that he has forgotten, and he has ignored, the needs and problems of the people of his own province and of western Canada. He has spent so much time breaking the efforts of the other western Canadian premiers that the Trudeau government has been able to sneak all its constitutional energy and economic policies past him and, in effect, at least partially, to make Trudeau's dreams a reality — to paralyse western Canada. What can be done to help remedy the situation? Well several things on several fronts.

The federal government, first of all, could remove its regressive 8 per cent petroleum and gas revenue tax. the federal government could let oil prices move to 75 per cent of the world level, as suggested by the Alberta government.

Statistics indicate that the doubling of the oil price would add only 2 per cent to the consumer price index, and that is the monitor of inflation. The Alberta price would be even less.

Mr. Speaker, the positive spinoff to the Canadian economy would be absolutely staggering. Economists state that for every \$1 increase in the oil price, there is a \$3 spinoff of new jobs, profits, etc., to the economy. In light of these facts, it is hard to understand how we have not gone to much higher oil prices a lot sooner.

On the provincial scene, several things could be done. First, royalty charges should be standardized between producing provinces so as not to put Saskatchewan producers at a disadvantage — at least, if not standardized, adjusted.

Second, incentives should be offered to encourage small Canadian entrepreneurs to search Saskatchewan for the remaining reserves of oil. To expect to discover any major finds is a dream, but to ignore the possibility of the discovery of further small deposits is equally foolish.

Third, for the common good of both Saskatchewan and Canada, there is a great need to

get on with the development of our substantial heavy oil deposits. What is needed is a fair distribution of economic return between the explorer, the producers, the refiner, and the government to get on with the job. And the time is now.

Fourth, every encouragement and incentive should be given to our citizens and our industries to develop energy substitutes for our depleting reserves of oil and gas.

Fifth, tax laws and regulations should be amended to encourage energy substitution and conservation in every aspect of our daily lives — to become energy efficient in every way possible.

These are some of the ways that we can disentangle ourselves from the energy mess that we find ourselves in, in Saskatchewan and Canada.

These are large chores requiring major revision of the policy of the current governments of both jurisdictions. Frankly, I think that this reform is highly unlikely under either regime. It will take a change of government at both levels.

As I stated earlier, October 28, 1980, has been described by many people in many ways, “Black Tuesday,” “a rape of western Canada,” ‘sheer stupidity,’ and even I called it ‘a disaster.’ But call it what you like, the results of that fateful program have, and will continue to be devastation to Saskatchewan and western Canada.

By anyone’s standards, exploration and development in this province have been cut drastically, particularly for the independent Canadian oil producers.

Even the members opposite, who only one short year ago were wringing their hands with glee, as their federal brothers engineered the downfall of a federal government committed for the first time in 16 years to the grievances of western Canada, members opposite now recognize the shortcomings of those very people that not so long ago they sought so deliberately to befriend. Why? Because they see lost revenues for the provincial coffers, both now and in the future. But we are losing much more; we are losing opportunity.

Gone is a large slice of exploration capital. Our neighbors to the south are luring away our drilling equipment — but, more importantly, our technical manpower and management expertise. We in this province have had a long history of seeing many of our best-trained minds leave for greener pastures, usually to other provinces. As is painfully obvious, they seldom, if ever, return. Those migrating to the United States will not likely soon return to the oil fields of western Canada. Yet in spite of this marked reaction, Lalonde holds fast to his stated belief that we will achieve oil and energy self-sufficiency by 1990. Who but a man with the foresight of a mole could believe such folly?

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Where is the logic of an energy policy that pays twice the value for foreign oil than it is prepared to pay to its domestic producers? How many job does the purchase of foreign oil create in Canada? What multiplier effect does this have on the Canadian economy when we send \$40 per barrel to Mexico and to the Middle East? . . . (inaudible interjection) . . .

Get the right Paul on that. When taken alone this is questionable economics; when coupled with high taxes and low prices sufficient to drive our explorers from the field, it becomes tragic. We hear responses from central Canada that the producers of western Canada are overstating the problem. We hear that it is mostly hollow rhetoric. I say to Mr. Lalonde, tell that to the people of Estevan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Explain the shutdowns to the operators in Swift Current, and count the number of new wells in the Kindersley and Lloydminster areas. If we are to truly address the question of energy self-sufficiency by 1990; we must first cure our addiction to imported foreign oil. To do so we must provide encouragement for production inside our borders. I do not see that sense of direction coming out of either Regina or Ottawa. Things do have to change because there is very little time left.

Mr. Deputy Speaker, earlier in my remarks I stated that it is my duty as the finance critic for the opposition to review the budget and also the state of Saskatchewan's economy. I also believe that as the only alternative to those opposite it is imperative that we present a constructive and positive program — in other words, a Progressive Conservative blueprint for economic common sense, a plan that would make Saskatchewan a true have province and vastly improve the quality of life, Mr. Speaker. I believe, as do all Progressive Conservatives, that the resources of this province could provide the funds necessary for the major portion of our social programs and could remove the burden from the backs of the taxpayers.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Income tax can be lowered, sales tax can be removed, and utility rates can be held and frozen, but only if we take a sensible approach to the development of our resources. Mr. Speaker, the NDP has an obsession with state ownership, with nationalization. They would even call it NDP-ization. Mr. Speaker, I call it a disaster! Their obsession is with total disregard for its effect on the provincial economy. It's ownership at any costs. Frankly, the cost is usually very high.

Saskatchewan is endowed with abundant resources and, with proper management and direction, these resources could provide our people with a new-found wealth.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Instead of using the proceeds from taxes or royalties or even profits to further develop these same resources or, in other words, to pour them back into the same holes in the ground, or instead of buying back our own farms or buying back what we already own, these funds could be used to develop our communities with the required services to allow or to encourage the development of our renewable resources, as well as industrialization.

The president of the chamber of commerce in Lloydminster recently said, "We can't stand another boom, because we can't handle it. We don't have the water or the sewage system required to handle further expansion."

Ministers opposite, including the Premier, have spent thousands of taxpayers' dollars in futile attempts to woo industries from other parts of the world to locate in Saskatchewan — trips to Japan, China, Great Britain, Germany, the United States, to

name but only a few. But to no avail!

A stranger to Saskatchewan has only to taste our water to be discouraged or turned off from moving here.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — A priority of our government would be to assist all communities in Saskatchewan to acquire the necessary or required services needed to attract industry and development of our resources. We would take immediate action to ensure communities had an adequate water system (considering both quantity and quality), an adequate sewage system, adequate recreational and cultural facilities, and a natural gas, rural distribution system through a community co-op. All communities in Saskatchewan would be provided with a cable TV system, probably by way of the satellite-earth stations. We would improve our transportation systems including better highways and better air services. We would take action to provide an irrigation system, including the upgrading of the present Gardiner Dam and Diefenbaker Lake reservoir, as well as the proposed Rafferty Dam project.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — This, Mr. Deputy Speaker, will build the infrastructure necessary to attract development and industry. These project may, to some, sound very ambitious — and they are. But they are also very realistic. They're possible. They're feasible, and Mr. Deputy Speaker, they are very, very necessary.

If we continue to focus all of our attention and revenues on non-renewable resources with complete disregard for our renewable resources, we must face several possible failures. We face the risk of depletion, especially in our light oil, and the possibility of depressed markets. We've already experienced the drop in world prices of uranium, in one year, from \$42 to \$28 . . . (inaudible interjection) . . . I'm just told \$22. That's the recent one. From \$42 to \$22.

What guarantees do we have that the potash markets will remain strong? In 1975, the Premier of Saskatchewan predicted that potash would sell for \$100 per ton by 1980. In 1975, it sold for \$75 per ton. In 1980, the price for potash is \$68 per ton. That on a deflated dollar!

In 1975, Saskatchewan was the only producer of potash in Canada. Today, other provinces have made discoveries and are producing potash. New Brunswick has potash and better shipping facilities, better access to markets. Manitoba will also be competing for the potash markets. Maybe that is why we just had your announcement over the weekend that you're not going to proceed with your mine near Yorkton.

There have been a great many myths generated in Saskatchewan, Mr. Speaker, in the 10 years since the NDP took control of this province. One has been that, if it hadn't been for the NDP, there wouldn't have been an increased demand for potash in the world market. Another has been that since the NDP nationalized a large part of the industry, the provincial treasury has been proportionately fattened due to increased taxes and royalties. Both myths are just that — myths.

First of all, the world market has always been ready to absorb as much potash as the suppliers, of which Saskatchewan as a world leader, can provide. That is nothing of the

NDP's doing. It is strictly the reality of the supply and demand situation. On the second myth, let's consider a few statistics. The NDP would like the people of Saskatchewan to believe that by buying up various potash mines in the province, the province and the provincial treasury would greatly benefit. In 1979-80 PCS generated 38 per cent (the mines owned under Potash Corporation of Saskatchewan) of the revenue acquired by the provincial government from taxes and royalties on potash. Yet when the same companies that now constitute PCS were in private hands, before the NDP nationalization, their share of total potash taxes and royalties to the government was 45 per cent — a drop, Mr. Speaker, of 7 per cent, because they handled it. So the great myth that a \$600 million expenditure, to buy up potash assets already in existence in this province would be profitable is nothing but propaganda. It has cost the people of this province \$600 million to lose money. Just think what new industries \$600 million might have assisted to open up operations here in Saskatchewan. We would still have received huge tax and royalty revenues from the potash industry, even higher than what we received.

Mr. Speaker, private industry is not stupid. Given the great world demand for potash, the existing companies would have expanded in our province, and from the sound of things, the provincial treasury would have been much better off if this nationalization had not occurred. The only reason for this relative drop in revenues is government mismanagement. The only real change that occurred since PCS was established has been a change of owners — the NDP — and an increase in the debt load to the taxpayers of Saskatchewan. To put all our eggs in one basket, Mr. Deputy Speaker, is pure folly and a stupid and unnecessary risk.

There is, of course, one non-renewable resource we should be focussing attention on and which is being ignored by this present government. That is our heavy oil reserves in the Lloydminster area. The only non-renewable resource which has unlimited markets, which has a 100-year supply and could in time help make us self-sufficient in energy, is being ignored.

For a number of years now, we have been hearing discussions about the construction of a heavy oil upgrading facility at Lloydminster. There have been a series of discussions between the federal and provincial governments which, as we can see by the absence of the facility, have consistently reached an impasse. The subject is once again being discussed and we can only hope and pray that something substantial results this time. If the provincial government was to offer to acquire equities in the heavy oil upgrading plant, regardless of federal support, I am sure that the facility would be built. A project such as this is deemed a megaproject — that is a project costing in the range of \$1 billion. With initial costs of such a magnitude, industry is going to require some incentive to establish such a facility. Initial equity participation by the provincial government is a means of ensuring the construction of such a facility with resulting benefits to the Saskatchewan economy being almost too numerous to mention — new jobs, both in the construction and operations phases (and jobs are very important to anyone, to any province).

In January '81, unemployment in Saskatchewan reached over 6 per cent, the highest in recent memory. The impact is even more profound in our two major urban centres. Saskatoon recorded 8.4 per cent unemployment and Regina over 7 per cent. Therefore, Mr. Speaker, government projects of this nature that can generate new jobs for the people of our province should be undertaken; new revenue generated by taxation and royalties to the provincial government, huge benefits to the suppliers of steel and construction materials, and large spinoffs during construction and

operations phases for the service industries are some of these. While a provincial government contribution to such a structure might be large at the outset, the spinoff to the Saskatchewan economy over the years would overshadow this amount many times over. Let me give you, Mr. Speaker, an idea of how this might be done.

Many years ago, the Thatcher government made an investment that assisted Ipsco (Interprovincial Steel and Pipe Corporation) in locating in Saskatchewan. It was a sound investment that was supported by members of all parties of the legislature of the day. It achieved the objective which was set out, which was to establish the beginnings of an industrial base in this province. Who would have expected to see a steel mill established in the middle of the Saskatchewan prairies? But, because of limited government assistance, and mainly because of the initiatives and plain hard work of men like Jack Turvey and Bill Sharpe, we were able to build a successful steel industry in this province. Mr. Speaker, because of the fact that this company is now and has been viable for a number of years, isn't it time that the Government of Saskatchewan sold its equity in this successful operation and used the money to help some other new industry get established in the province?

I know what the members opposite will say. They will embark on that same rhetoric which they have always used. They will say that the shares will end up in the hands of the corporate elite. Well, there are two things wrong with that argument. First of all, if the corporate elite had wanted to buy those shares, they could have done so a long time ago. Mr. Speaker, 40 per cent of the shares of Ipsco trade on the market every day. Secondly, the Government of Saskatchewan could offer a preferential sale of its shares to Ipsco employees — maybe at a slightly discounted price in view of their contribution toward making the industry grow and prosper in our province. Measures (and I want members to listen to this) to encourage worker participation in acquiring equity in Saskatchewan industries should be encouraged.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, that statement is worth repeating and I say to you that measures to encourage worker participation in acquiring equity in Saskatchewan industries should be encouraged. This could be done by offering such things as (and I hope the Minister of Finance is listening) provincial tax incentives to employers who offer equity participation to their employees, for example, Mr. Minister, by making the acquisition of the NDP shares of Ipsco (Interprovincial Steel and Pipe Corporation) easily available to Ipsco employees.

Having made this move, the government would have freed in the neighborhood of \$35 million to assist the development of other new industry in our province. Using the same technique, the Government of Saskatchewan could participate in the establishment of unlimited numbers of new developments in this province, using a limited amount of cash. The money is already in place. It simply needs to be redirected. A PC government would ensure that money tied up in areas where it is not working would be freed to create new economic activities, realizing real growth in jobs, in profits, in businesses and therefore, most importantly, a broader, healthier tax base. As I said, Mr. Speaker, the money is already there.

The government recently snatched the Prince Albert Pulp Mill away from a private sector bidder. Mr. Speaker, in this Assembly last week, I asked the minister a question. Would he reveal to the people of Saskatchewan the price they paid, and would he also

reveal what they are trying to sell it for? And in their usual rhetoric, the minister replied, "The member opposite wants me to lay out my cards on the table." That's right, and I'll tell you why. Just last week on the Canadian market, the company of Abitibi-Price was sold. It was sold through open bidding and the shareholders of that company were told what the prices were — the first offer, and what the prices should be. With open bidding the prices went from \$26 a share to \$32 a share. That was open bidding. The shareholders had a right to know what the prices were, just the same, I say to you, as the taxpayers who are the shareholders of these companies have a right to know what you pay, and have a right to know what you're selling for. It may surprise you that if you were to let people know, the price might get higher. That's what happens on the open market.

More and more money is being invested in the Potash Corporation of Saskatchewan. One of our prime objectives, or our top priority, would be to encourage the construction of a heavy oil upgrading plant, even if it meant offering special tax incentives to the industry. This of course would be done in addition to having built the necessary infrastructure for such a facility. These, Mr. Speaker, are some of the positive programs that a PC government would initiate. There is more (I will come back to them later) that indicates our objectives.

Let's look at the reasons we believe in these policies. Let's look at what has happened in the province of Saskatchewan in the past 10 years under a socialist government, at what has happened to our renewable resources, and then the people will understand why we must take action.

First of all, let's review agriculture, the mainstay of our economy, the one resource which really built the province of Saskatchewan, and the contempt the NDP has shown for this very important resource. For the past 10 years we have seen a drastic and continuing decline in this resource, and this is a fact. Let's take a look at some of these statistics. Let's start with our livestock marketings.

In 1979, in Saskatchewan, we marketed 422,000 cattle and 88,000 calves. I hope you are listening. It's down from 1976, when we marketed 749,000 cattle, and in 1974, when we marketed 346,000 calves, or simply put, for every four calves marketed in 1974, we marketed one in 1979. Hogs, in 1971, were 1,255,000 — down to almost 50 per cent at 647,000 in 1979 under the NDP rule.

Let's look at the livestock population. In 1971, Saskatchewan had 112,000 milk cows, in 1978; we had 70,000. In 1975, we had 1,063,000 calves. In 1979, we had 855,000 calves, the lowest number in the 10 years of NDP rule. Other cattle: from a high of 2,202,000 in 1975 to a 10-year low of 1,637,000 in 1979. Hogs went from a high of 1,090,000, when the NDP came to power, to almost one-half at 600,000 in 1979. Look at sheep and lambs. From a high of 145,000 in 1971, they came down to 96,000 in 1979.

What about wheat yields? In 1979, Mr. Speaker, the Saskatchewan provincial average of kilograms of what per acre produced was 623 — the second lowest yield in 12 years, the lowest being in 1974 at 568 and again when the NDP were in power. Would this have occurred if you would have had a proper irrigation system? Of course not. These are shocking statistics, Mr. Speaker, and let me assure you here and now, I didn't make them up. These are government figures. They are government statistics. They were produced by the members opposite from their own 1980 economic review. Mr. Speaker, these are their figures. On February 13 of this year, Stats Canada released data on farm cash receipts which showed that Saskatchewan had the lowest

percentage increase in farm cash receipts in Canada and three percentage points below the national average. Our increase was 8 per cent, well below the 12 per cent inflation rate. Saskatchewan, which is the bread basket of Canada, which has 40 per cent of the agricultural land in Canada, placed last in farm cash receipt increases in Canada and is now even third behind Ontario and Alberta in total cash receipts.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — This is shocking, and evidence of the contempt that the government has for agriculture. Mr. Speaker, I am sure that the member for Thunder Creek will have much more to say on that subject. I will move on to other areas.

Another one of our renewable resources in Saskatchewan Mr. Speaker, is tourism. Again, let's look at those statistics. I'm waiting for the Minister of Tourism to simmer down so he can hear. Here are figures on United States visitors entering Saskatchewan by all types of transportation. In 1976, a total of 234,355, Mr. Speaker, dropped to a disgusting low of 181,595 in 1979 — a loss of 22 per cent or 52,760 visitors. Now who knows what this means in terms of dollars lost to our economy? Our two major airport traffic figures — Regina and Saskatoon, number of flights in 1976 — 10,998 down to 8,531 in 1979. I would certainly not call this progress.

The thrust of the current government's economic development strategy, if indeed one exists, is short-sighted and demonstrates a lack of understanding of both business and economic principles. The problem is simple, Mr. Speaker. The NDP strategy is aimed at redistribution wealth without any awareness of how to create wealth to redistribute. A Progressive Conservative economic strategy, which I will outline in a moment, would emphasize the creation of wealth for the people of Saskatchewan . . . (inaudible interjection) . . . Yes, I do.

Forty years of socialism have taken their toll in Saskatchewan. There is evidence of an increasingly negative view in the business community both outside and inside our province, about locating or expanding operations in our province. The cause of this negativism is simple. The spectre of nationalization or provincialization or NDP-ization hangs over our province . . . (inaudible interjection) . . .

What he said, Mr. Attorney General was: business as usual — and that's pretty blah. Don't you really think so, in times of inflation like we have? That's what the president of the chamber said.

There is a constant tension in the business community over what and when the ever-groping hand of the state ownership wing of the NDP will take over next. Not only is the NDP government buying up businesses in this province, Mr. Speaker, but its presence is beginning to be noticed everywhere you look. It owns a major part of our resource industry. It owns more farmland than any other body in Saskatchewan — over one million acres, worth somewhere between \$400 million and \$500 million. They're state farms; that's what my colleague calls them.

It is into providing cable television, more or less, and soon, Mr. Speaker, you may see that you have to buy your house from a new firm called NDP Realty. Am I giving you an idea, Mr. Member from Saskatoon Riversdale? I always hesitate to make those suggestions because the next step is that they pick it up.

No new jobs are created. No new industry is established. No expansion of the

government's tax base is achieved. Few or no spinoffs to the secondary or tertiary sectors of the provincial economy are realized. This effect is compounded by the nature of the government's investments. Rather than acquiring equity to assist the company to expand and then, when the company has gotten on its feet, selling the provincial equity and reinvesting it and the profit in a new business, the current government wants to retain its original equity forever. The result is capital tied up for years on end in businesses that are economically viable and not in need of government assistance at the present time.

The spinoff is that potential businesses, which might locate here with a little short-term government assistance, are not provided incentives. Then potential jobs, taxes and general economic spinoffs are lost. We must never forget that the NDP did not want — and I want to repeat that — we must never forget that the NDP did not want the right to own property included in a new constitution. In an attempt to be fair and analytical, let us look for a few moments at what state ownership does to an economy.

The habit of the current government of buying up businesses already in existence, whether they are potash mines, oil wells, or farmland, might be all right if it were done with some foresight and economic reasoning. That is where the current problem lies; there is little of either quality in the current strategy. To buy up assets already in place produces nothing new except a new owner and a new debt for the people of the province.

For a province like Saskatchewan, which has so much to offer — raw materials, a labor force — this should not be the case. We must under the present circumstances, present a stable business environment which would encourage existing businesses to expand and would attract new businesses and new jobs to our province. This will be done in several ways.

The first and most obvious change must be a change of philosophy, a change from an NDP government whose very existence offers a profound threat to free enterprise in this province.

The second stage would be the re-establishment of a sense of confidence in the business community, a feeling that Saskatchewan is a good place to locate, a good place to expand, a good place to work. This can be done through a sound economic and business strategy articulated by a Progressive Conservative government, a program which recognizes the short-term measures needed to once again make Saskatchewan a good place to do business after 40 years of the socialist ghost.

The role of government in the economic sector is to attract new, non-public investment to a province. Since the province of Saskatchewan is, under the present administration, less than an attractive place for investors, obviously some measures will have to be taken to attract them.

The Progressive Conservative Party of Saskatchewan believes that for some period of time, and through limited methods, some means of public participation will be necessary to attract investment. But this approach would be substantially different from that of the NDP.

A PC economic development strategy would favor short-term participation in the start-up phase of a business through limited equity participation. When the business is on its

feet, the PC plan would envision the government shares in the business being sold in the public market on the basis of Canadian preference, and the original investment, plus profits, would then be channelled into new business start-ups. It is basically the concept of getting the biggest bang for your buck.

The original investment dollar becomes, in itself, a renewable resource. This, Mr. Speaker, is well worth repeating. It probably will go over their heads but I would like them to listen to this. The original investment dollar becomes, in itself, a renewable resource, with every new investment creating jobs and new capital expenditure, renewing spinoffs to the service sector, and providing an ever-increasing tax base for the government. That is the secret of it all.

As things now stand, Mr. Speaker, by means of contrast, NDP equity dollars derived from non-renewable resource profits are reinvested into the same non-renewable resources — potential holes in the ground. And because they become equity designed on the eternal basis, the money becomes a non-renewable resource — non-renewable for jobs, for taxes, for economic spinoff. The PC Party sees many areas in which this economic incentive program could generate large economic benefits for the people of Saskatchewan.

Let's take the following example — rural gasification. The pursuit of an active program of providing natural gas to the towns, villages, hamlets and farms of rural Saskatchewan would provide major economic benefits to the province. It would allow the people of this province to benefit from the use of a natural resource that is in abundance, and also happen to be an economical fuel source. In the initial stages, when construction and installation are being done, jobs in the construction, manufacturing, and service industries would be created. The manufacture of the plastic pipe materials and other industries relating to the supplies of the system would be introduced to the province. Once the plastics industry is in place, it would naturally diversity to supply other projects as they were established.

Let's look at the manufacture of rolling stock for grain transportation. The Government of Saskatchewan, the government opposite, really blew an opportunity to diversity the Saskatchewan manufacturing sector when it chose to go to Ontario to buy 1,000 hopper cars to increase the grain transportation fleet. With government participation in the form of a small-short-term investment, a manufacturer could have been encouraged to locate here, or encouraged to expand an existing facility, at which these cars could have been manufactured in the Saskatchewan private sector. Instead, we gave a \$55 million contract to eastern Canada. As a result, we could have had a Saskatchewan Grain Car Corporation that created jobs, taxes, profits, supplied demands to the provincial economy, and so on, rather than the current corporation which will do nothing but push paper. With the establishment of such a facility, many thousand man-years of temporary work would have been generated in the facility when the facility was operating. Government investment would have been small. The economic spinoff would, indeed, have been large. But instead, Mr. Speaker, a \$55 million contract went to eastern Canada. It is ironic that rail cars needed to move grain in western Canada have to be bought in Ontario and on the East Coast. Surely such a manufacturing facility geared to serve western Canadian needs would be viable in the prairie provinces. On the subject of these cars, Mr. Speaker, once again the NDP missed the boat. Actually they missed the train.

Without going into the ongoing battle about the feasibility of a communications system

which relies entirely on a fibre optics distribution mode, let me make the following comments on the delivery of cable television in Saskatchewan. Sask Tel has committed \$56 million to establishing a fibre optics system which will deliver cable TV to 130,000 new people in Saskatchewan. Since 400,000 already receive this service, that means that 445,000 people will still not have access to cable. To add these other people on the fibre optics network would carry a huge additional price tag for Sask Tel customers. Therefore, the people of Saskatchewan are faced with either a large problem or a large opportunity, depending upon how we look at it. We choose to see it as an opportunity. The first step toward turning this problem into an opportunity would be for the current government to quite being so stubborn and dogmatic and open their minds to ideas that would best serve the interests of the people of Saskatchewan, from both a communications and a long-term economic standpoint.

Other jurisdictions are recognizing that integrated telecommunications systems are the answer to future communications needs. The Alberta Public Utilities Commission recently recommended a system that incorporates the best features of fibre optics, satellite-earth station systems and conventional electromagnetic circuits among others for Alberta. Such a system offers both necessary economy and flexibility.

Therein lies the problem, Mr. Speaker. Saskatchewan has opted for one system — expensive and, as yet, virtually unproven. The PC Party believes that this system approach is not satisfactory. We are on record as favoring a satellite-earth receiving dish system for delivery of cable services in this province. A recent brief by the Canadian Cable Television Association to the CRTC indicates that the installation of receiving dishes to service the same 130,000 people the fibre optics network will service would only cost about \$1 million or one fifty-sixth of the cost. If Saskatchewan was to choose this method, our manufacturing method base would once again be broadened.

We already have one manufacturer of receiving discs — SED Industries of Saskatoon. If a comprehensive cable TV delivery system were to be established, this industry would be expanded. Jobs would be created, as well, in the servicing and installation businesses in the same areas where these discs would be installed.

Mr. Speaker, I want to turn to irrigation. At first glance it would seem that government members opposite have finally taken an interest in agriculture, when one sees a 30 per cent increase in the budget expenditure for agriculture. That's at first glance. But a further scrutiny reveals that it is only 33 per cent more than it was six years ago — an average of a little better than 5 per cent per year. Now, Mr. Speaker, if this is not the most contemptible attitude that they can take, I don't know what is.

Agriculture, which is the mainstay of our economy (as I have said), that resource which built this province, has taken six steps backwards, as this amount represents half of what inflation has been for the past six years. To make matters worse, irrigation expenditures have taken a 30 per cent drop this year alone. Obviously last year's drought was a joke to the government opposite.

One of our priorities in agriculture would be to complete the Diefenbaker reservoir irrigation project and the construction of the Rafferty Dam project. The benefits of these expenditures would be long-term and would guarantee not only productive land in at least half of our province, but add significant spinoff — more jobs, broader tax base — in secondary industries.

In conclusion, Mr. Speaker, our 2 per cent budget, in reality, has put more burden on

our taxpayers than ever before. The 2 per cent reduction in come tax is more than offset by the increase in gasoline sales tax, increase in public utility rates, huge increases due to inflation, increased corporate capital tax which is passed on to the consumer, motor vehicle licensing revenues, and others — all this in a so-called boom economy; all this in a so-called have province; all this in a province with vast resources. Inexcusable. And nothing, nothing, Mr. Speaker, for long-term planning, nothing, nothing for the heritage of future generations.

They speak of a heritage fund. Knowing what has happened to the value of the dollar over the years, I can just imagine what a heritage fund based on retained currency will be worth. What we see as a true heritage fund is the establishment of a strong, renewable, economic base that will provide jobs and security for future generations, based on renewable wealth. Nothing in this budget addresses this.

Mr. Speaker, let members opposite criticize such forward-thinking policies as those which will be implemented when the PC Party becomes the government in Saskatchewan. They are policies guaranteed to ensure a heritage for future generations while providing opportunities and rewards for our present citizens: the senior citizens whose efforts and struggle built this province into what it is today, the youth who have always had to seek their futures elsewhere. They are policies such as:

1. Incentives to encourage exploration and development of Saskatchewan's marginal oil wells;
2. The development of Saskatchewan's heavy oil reserves;
3. Encouragement of energy conservation;
4. Encouragement of inter-fuel substitution;
5. Limited temporary equity participation in new industrial development;
6. Construction of a heavy oil upgrading facility at Lloydminster;
7. Equity participation by employees;
8. Rural gasification;
9. Agricultural and food processing plants;
- 10 Manufacturing of cable-TV equipment;
11. Irrigation for the agricultural community and jobs in the manufacturing of irrigation equipment;
12. Significant expenditures on programs for the disabled;
13. Family farm purchase program;
14. Building of infrastructure required to serve the economic and industrial growth of this province;
15. Creation of a rural community development program;

16. Development of other renewable resources such as tourism, forestry and fisheries.

Let members opposite attempt to criticize our suggestion on combatting inflation. They include:

1. Freezing utility rates;
2. Public utility review commission;
3. Reduced cost of government administration;
4. Reduction of regulation and red tape;
5. Reduction of permanent government acquisitions in the private sector;
6. Elimination of patronage;
7. Standardization of interprovincial oil royalties;
8. A 10 per cent across-the-board income tax cut;
9. A senior citizens' sales tax cut rebate.
10. Reinstatement of the farm-cost reduction program.
11. Mortgage assistance for new home buyers;
12. Mortgage assistance for renewing mortgage holders;
13. An expanded inventory assistance plan;
14. Amendments to The Income Tax Act to benefit tradesmen.
15. Reduction of sales tax until it is eliminated, likely over a five-year period.

Mr. Speaker, a Progressive Conservative government would address areas of importance to the people and to the economy of Saskatchewan. The 2 per cent NDP budget does not do this. It does not do this.

Mr. Deputy Speaker, I therefore move, seconded by the member for Souris-Cannington:

That this Assembly expresses its profound regret that in this budget the government has again failed to provide leadership or programs to give Saskatchewan residents: (1) assistance from the ravages of inflation, (2) assistance for the impoverished, (3) energy self-sufficiency, (4) a healthy private sector, (5) a healthy agricultural industry.

MR. DEPUTY SPEAKER: — I wonder if the mover of the motion would mind if we added to the beginning, "That all the words after the word 'that' be deleted and the following substituted therefor" to make it an amendment. Is that agreed?

The debate continues on the motion and amendment concurrently.

MR. BANDA: — Mr. Deputy Speaker, it is a special pleasure for me to take part in this year's budget debate. I want to first of all congratulate my colleague, the Minister of Finance, in again presenting an excellent budget, one that shows we are on the right track on this side of the House. I have seen many good budgets presented during my experience as an MLA in this House, but this year's budget is the most satisfying. It is most satisfying because the resource policies of the Blakeney government are now fully yielding the dividends that we in the NDP know public ownership can provide.

These policies have enabled the Blakeney government to bring in programs over the past 10 years ranging from housing co-ops to a prescription drug plan and from the land bank to the home care program. I am pleased to see that this budget carries on that tradition. This year, the year of the disabled, heritage fund money will be used to build a new Saskatchewan rehabilitation centre in Regina for injured workers and the disabled. That is good money spent — money we would never have had if the opposition had been trying to run the government in Saskatchewan.

In keeping with the philosophy of the heritage fund of investing in the future, I am happy that a new technical institute is to be built in Prince Albert and that the technical institute in Moose Jaw will be expanded. As our economy expands, we will have more and more need of skilled labor. I am sure the potential graduates can look forward to a bright future here in Saskatchewan. This government's commitment to education is further shown by a general increase in educational funding by 10 per cent and an increase of 12 per cent for students in rural areas. Mr. Deputy Speaker, I say that our education system is something to be proud of and not condemned, as those opposite have done today.

I am also pleased with the new pilot project announced to provide adult dental care in the rural areas. It is one more demonstration that this government is expanding preventive health services to all areas of the province as fast as possible. Even with a comprehensive set of new social services and health plans, the resource policies of the Blakeney government permit a 2 per cent lowering of the provincial income tax.

An indexing program has also been introduced to selectively cut the taxes by an additional \$30 million in this year. Small business taxes have been reduced by 1 per cent. That means, Mr. Speaker, that only B.C., Alberta, and Ontario will have lower income tax rates than Saskatchewan. All three of those provinces provide fewer services, have higher costs of living that we have in our province and, again, all of them have health premiums.

As the MLA for a rural riding, I am happy to see the start of the new Open Roads, part 2, which will provide oiled roads to communities with populations of 50 and over. The revenue-sharing pool for villages has been increased by 10 per cent. In the community capital fund, known as CCF-2, unconditional grants have received a 50 per cent increase in funding and the water assistance board has received 50 per cent more.

I am also pleased to see included in the budget the new co-operative home-building program for farmers. This was a promise made by this government in 1978 in the election. It was a promise made that is another example of our promises kept. The new program will enable family based co-ops to use their labor as equity to build farm homes. This program will be financed through the Saskatchewan Housing Corporation

and will provide invaluable assistance, especially to young farmers who are trying to get established.

I am pleased to see 30.5 per cent increase in funding for the Department of Agriculture. It comes at a time when Saskatchewan's agriculture policies are beginning to reverse some harmful trends in agriculture that are causing serious problems in other provinces. The increased budget will help Saskatchewan put even more distance between our programs and those of our Tory neighbors in Alberta. Our programs of land bank and FarmStart and SHARP (Saskatchewan Hog Assured Returns Program) are all having a stabilizing effect on our farm economy . . . (inaudible interjection) . . . Well, I hope members opposite will listen, because recent Statistics Canada figures just last week show that Alberta lost 1,500 farms or 2.5 per cent of the total between 1979 and 180. that compares, Mr. Speaker, to 400 farms or 0.6 per cent in Saskatchewan.

Perhaps the most significant increase in existing programming is the land bank. That program provides a 40 per cent increase in land bank capital advances to provide land for new developing farmers. That increase means that a total of \$35 million will be provided for this purpose. This is a tremendous benefit for young farmers because it will make more land available. It will, at the same time, reduce the waiting list of over 250 farmers who want to sell to the land bank. Well, I think that speaks well of the land bank program.

I am also pleased to see a significant increase in the FarmStart program, going from \$2.128 million to \$2.508 in this year. The most significant new initiatives, in keeping with the NDP philosophy of a planned and rational farm economy, is the implementation now of a beef stabilization program. Mr. Speaker, for some time members on this side of the House have been advocating a stabilization program, and members opposite have been against it, and I understand they are against it again . . . (inaudible interjection) . . . Members opposite are against it again. The member for Regina South just indicated the figures, trying to blame this government for reduced numbers. At the same time the member for Regina South didn't say that those members opposite didn't want any assistance, or any government intervention in any way. He is against that. But yet when there is trouble in the farm economy, they come hollering in this legislature for the Minister of Agriculture to find them some money some place.

Now, Mr. Speaker, the stabilization plan is similar to the provincial hog stabilization program, which will be cost-shared on a 50-50 basis by this government and the producer. Contributions will be voluntary and it will be based on a percentage of gross sales. The support level will be related to the cost of production. Mr. Speaker, this fund will be administered by a stabilization board which will also market the cattle of the producers who are enrolled in the program. The benefits of such a beef stabilization plan are obvious, Mr. Speaker,. It will stabilize cow herds by ensuring profitable marketing returns. It will increase feeding operations in this province and ensure a continuous supply of slaughter cattle for our processing industry. It will make better use of farmland, machinery and labor resources by encouraging local feeding operations and service industry.

Mr. Speaker, this plan brings stabilization to the primary producer and it ensures that cattle cannot be brought in from outside the province and benefit from the guaranteed price. The last part is particularly important, Mr. Speaker, when you are aware that cattle prices have declined by some 30 cents a pound in recent months. Many of these losses are caused by American beef imports flooding the market. Since January of this year, 30,000 U.S. cattle have been imported into this country.

It is unfortunate, Mr. Speaker, that the federal government cannot be persuaded that a beef stabilization program could be implemented on a national level, as it must be to be completely effective. But the federal government has different policies from this government. We introduce a balanced budget, the introduce a deficit budget. We lower taxes; they raise them. We increase services; they cut back on services. We believe in co-operative federalism; they believe in divide and conquer. Unfortunately for Canadians, the policies of the federal government have left us with an economy that has a \$136 billion debt which will cost the government \$12.85 billion this year just in interest and service charges . . . (inaudible interjection) . . .

The members opposite . . . It's too bad I don't have a bale of hay here because you would eat it!

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — Mr. Speaker, payments on the public debt, the fastest growing expense, will take 19 cents out of every dollar the government spends, or \$795 for every taxpayer in this country. This debt has occurred despite the fact that the federal government takes more money out of Saskatchewan than the entire provincial budget. Mr. Speaker, we have to remind members opposite that federal revenues from the oil export tax total some \$572 million, the federal share of domestic oil is \$500 million; artificially depressed domestic prices will cost another \$500 million, and income tax and revenue, \$800 million.

But, Mr. Speaker, what do we get in return? We get some of the most expensive speeches in history. Hazen Argue has two of them a \$67-million speech promising a western drought relief package and a \$200-million speech — the one where he promises to reimburse western farmers for the cost of the Tory-Liberal grain embargo. The material for those speeches has cost western farmers over \$267 million. While Argue may claim his speeches are cheaper by the dozen, I would estimate that he promised that money in at least a dozen speeches since last June. That rate will still cost western farmers over \$22 million a speech, not counting the plane fare and the meals. But that is peanuts, Mr. Speaker, beside the Liberal's \$4 billion speech — the one where Lloyd Axworthy promises \$4 billion to the West, but won't tell the provinces where and how that money will be collected, or where it will be spent. However, we should be thankful for small mercies, Mr. Speaker, at least Lloyd Axworthy makes his speeches from Ottawa and doesn't waste money on travel expenses.

Mr. Speaker, speeches about hypothetical spending plans have also become common from members opposite and today is no exception. The provincial PC Party appears to have been watching the federal Liberal Party with envy, although, perhaps not with the same degree of envy as the federal PC Party. Even so, provincial Tories have certainly emulated the federal Liberals in their desire to see a deficit budget.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — Just thinking back over the last session, and the last budget debate that we had, I recall the member for Rosetown-Elrose calling for an increased revenue sharing program. I recall the member, on another occasion, calling for the government to hand out a little extra money during seeding time.

I recall the member for Thunder Creek asking the government, and I quote, “to pay our

farmers the same rates to store their grains as the elevators in Canada today are receiving.” I also recall the member for Arm River calling for the government to clean up the Pioneer PCB spill. Another time he wanted SPC to pay for a comprehensive rural gas distribution system, and he wanted the government to pay for a \$40 million pipeline from Lake Diefenbaker to Regina . . . (inaudible interjection) . . . Obviously, Mr. Speaker, the members opposite are a little riled up out there.

MR. SPEAKER: — Order, order. Ladies and gentlemen, this frivolity has to cease. The hon. member has a serious speech which I’m sure he wants to give. I’m sure all members want to get in on this debate and we should allow the member to make his speech.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — Thank you very much, Mr. Speaker. I’m sure that if the members across will listen, I will remind them of some more of the expenses that they wanted this government to incur during the last session, this last budget and I’ll continue.

I recall the member for Meadow Lake calling for increased spending by the Department of Highways and I recall the financial critic complaining about last year’s balanced budget and saying to the government, and I quote: “You might end up by finding you’re not spending nearly enough, and you’re not, when you compare your expenditures to other provinces in western Canada.”

I have not included all the demands made by the members opposite for increased government expenditures, nor have I attempted to total the cost of all those projects. However, I can assure you, Mr. Speaker, that they would have accomplished their stated goal of a deficit budget.

This year I see the financial critic again predicting a deficit budget after telling the press what the government initiatives should be. I’m afraid he must have looked a little too long at his own proposals. There is no doubt that if the PC Party’s suggestions were implemented, the government would be forced to budget again for a deficit. Not only that, Mr. Speaker, we would be well on our way to running out own Crown corporations into the ground, just like the Tory government is doing in Manitoba. As part of the Tory platform here, they want a freeze on utility rates. Tories in Manitoba promised a five year freeze on power rates. What was the result? The result has been a loss of \$18.8 million by Manitoba Hydro in the first nine months of this fiscal year. This compares to a \$22.7 million profit for the same period of the year before. Mr. Speaker, the losses must be paid for out of the companies accumulated reserves. I’d like to make it clear to the member for Wilkie that I’m not talking about “retained earning” — a concept he seems to have some trouble with. The losses are partly due in this province, to increased capital costs and operating expenses due to high interest rates without corresponding increases in revenue. The facts are simple, if costs increase, revenues must increase. The myth that utility rates can be frozen while the rest of the country’s costs inflate by 10 per cent or so each year is total nonsense.

In fact, even before Manitoba Hydro’s 1980 loss figures were publicized, the provincial government was paying the corporation’s costs of foreign borrowing because of the decline in the Canadian dollar. Now, when Manitoba Hydro is cash-starved and must borrow at 17 per cent to finance new projects to meet the province’s power needs, it will require a drastic increase in rates. If the Premier, Mr. Lyon, runs true to the PC Party

philosophy, he will then declare Manitoba Hydro inefficient and put it up for sale, just like he did the McKenzie Seeds plant. Mr. Speaker, this is exactly the philosophy of the Tory Party and that is what they stand for in Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — That is exactly what the fate would be for Sask Tel, Sask Power, and the potash corporation. They would even do away with the potash corporation, although it paid \$50 million into the heritage fund this year, Mr. Speaker.

AN HON. MEMBER: — And on top of that, it paid more in taxes — about another \$50 million.

MR. BANDA: — Plus it made another \$160 million. What about Sask Oil, Saskatchewan Mining Development Corporation, and the rest of our Crown corporations? Well, I know members opposite don't like the term "family of Crown corporations." I understand that. I know they often refer to the importance of the family during their political speeches. I'm sure all members are familiar with the PC Party leader's statement, "God first, family second, NDP under my thumb." I'm equally sure that most members are unaware that the inspiration for that remark came not from the Bible, but from the Mary Kay cosmetics sales manual.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — I understand the PC Party leader's wife sells Mary Kay cosmetics and I'm sure they are a very good product, Mr. Speaker. In fact, I know members across the province who were puzzled by the recent television ad for the Estevan by-election. They'll now be able to make a pretty shrewd guess why the PC leader could walk through a field and remain so photogenic. But, Mr. Speaker, the people of Estevan were not fooled. They realized that the solutions offered by the PC Party and their new leader were, at best, cosmetic.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — While the TV ads of the Conservative leader were not taken too seriously by many people, we in the New Democratic Party did not take his rhetoric lightly.

Socialist governments, especially here in North American, have often been a target of right-wing propaganda (and I've heard a lot of it from the member opposite today) equating government action and inefficiency, socialism and immorality. But, Mr. Speaker, I know the people of Saskatchewan reject such tactics. I know that the quality of life in Saskatchewan and the province's healthy economy provide a shining example to people everywhere that the opposite is true.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — The only way for people to organize their society efficiently and to provide equal opportunities for a decent life for all citizens is through socialism.

In Saskatchewan, we have seen how private enterprise acts. We have seen how the CPR has treated the West for the past 100 years. We saw, during the Depression, how farmers were driven from their farms, which were then taken over by banks and

mortgage companies. More recently, we have seen an attempt to blackmail the Government of Saskatchewan by the potash companies. Fortunately, we have also seen that there can be a remedy for these actions through a government committed to public ownership and a planned economy.

Mr. Speaker, I'm proud to be a New Democrat and I'm proud to support yet another budget which embodies the principles of democratic socialism. Mr. Speaker, I will be voting against the amendment and for the motion.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Mr. Speaker, it's my pleasure to be able to participate in this budget debate. It's always a pleasure to participate in budget debates as brought forward by New Democratic governments because they're always so interesting — full of good things for the people of Saskatchewan. It's always interesting to listen to members opposite who always take the negative approach — not this, not that, not the people of Saskatchewan, but I'll be referring to that in just a little while . . . (inaudible interjection) . . . Doom and gloom is absolutely it.

Mr. Speaker, I wanted to say one thing, I was under the impression that the opposition, ye olde Tory financial critic came in here with a red flower. I thought he did. At any rate, I do know that it was a blue flower when he left. After having listened to that, that would turn red flowers blue any day.

Mr. Speaker, I wanted to refer to some of the comments made by the financial critic for the Tory party. It was a poor effort, but I just want to reply to some of the things. I want to reply, in particular, to one thing which he didn't mention. But his leader, the good doctor, mentioned this, I believe in an interview to the press just a few days ago. He is a doctor, is he? I'm sorry, but is it Dr. Devine? . . . (inaudible interjection) . . . Oh, that's good. I thought it was Dr. Devine. I don't know what kind of a doctor he is, but as one member said before, If he's a veterinarian doctor, you are the boys who certainly need one."

But at any rate, Mr. Speaker, it seems to me that in his interview, the good doctor, the leader of the Tory party, said that there had been a leak in the budget. Well, I'm wondering if that, in fact, is the case, because I know that when the speech was delivered by the hon. minister the other day, when the budget was delivered to the two members over there, they almost clashed head on trying to get at the budget speech. It would seem to me that if they had copies of it, they wouldn't be so eager in thumbing through it. It's my estimation that there is no leak. I say that the leader of ye old Tory party has an obligation to tell the House just who leaked that — absolute, an obligation. Certainly, I know that members opposite will come up with the name a little later on.

Mr. Speaker, the hon. member, the financial critic, is talking about what a terrible economic climate we have in Saskatchewan. Well, I just wonder who should we believe? Should we believe Barclay's Bank from the United Kingdom or should we believe the hon. financial critic for ye olde Tory party. Now Barclay's, obviously, isn't in the know like the gentleman, the financial critic for the Tory party. Obviously, he know much more about the financial and the economic climate of Saskatchewan than Barclay's. Here's Barclay's; it has been in business for years and years and years, but that gentleman's knowledge, in so far as the economic climate of Saskatchewan is concerned, is vastly superior to Barclay's. After all, Barclay's has just been in the

business for hundreds of years. I might add that Barclay's says that we have a better future than any other province in Canada.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Mr. Speaker, I now that they don't want to play politics, Barclay's Bank but we can all read between the lines. If you can read between the lines, that was it. That's exactly what it pointed to.

Mr. Speaker, I also read an article in the *Star Phoenix*, a paper which, I'm sure, most people never question, because it does come up with some excellent articles. I noticed they had an interview with the chairman or one of the executive members of the board of trade (and the board of trade said it was an excellent budget). This gentleman from the board of trade said it was a budget which pleases the business community of Saskatchewan. But that gentleman said, "What does the board of trade know?" He says, "I know more than the board of trade." I venture to say that he doesn't tell you one thing: when the board of trade of Saskatchewan says that the economic climate in Saskatchewan is favorable, it has to be favorable!

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Now, the hon. gentleman is talking about freedom lost. I don't know what kind of nonsense he is referring to. Is he talking about the kind of freedom that was lost in Ontario just recently where a gentleman absconded with certain funds (allegedly so) and left a number of people, possibly 12,000, not covered for hospitalization and medicare? Is that the kind of freedom he is talking about, the kind of freedom some people do not have and some people do have in Ontario? Or are you talking about the freedom that some people in British Columbia have, the freedom to buy a house at \$250,000? I have a sneaking suspicion that is the kind of freedom they are talking about. The only people who enjoy that kind of freedom are the financial gougers — the ones who donate quite heavily to your party.

I noticed the hon. gentleman also mentioned something about the institution of education in this province. He implied there is something rotten in the state of Denmark in regard to education. I noticed an hon. gentleman said, "hear, hear." In other words, he agreed hook, line and sinker with him. Well, I say one thing to you fellows, and the hon. lady: that is a slap in the face to all the teachers, the students and the administrators of the whole institution of education in this province. I tell you one thing, you are going to hear about it; you are going to hear about it during the next election.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — I just want to touch on another smear tactic for which members opposite are famous — not all of them, just some. There are exceptions; I want you to know that . . .

AN. HON. MEMBER: — Name some!

MR. MOSTOWAY: — Oh, no. I would be the last person to name anybody.

But the old red commie scare tactic — somehow I get the impression that those people on the other side feel there is an element on this side which is not to be trusted. I don't know if it has something to do with racial origin, or what. I get the feeling that it has. That

thing has been bandied about by some of your members consistently ever since you were elected. I will have you know one thing, that every member on this side is just as good a Canadian and can be trusted just as well as the members on that side.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — I want to mention a few things about some of the specifics they have mentioned. Mr. Speaker, the hon. financial critic for the Tory Party mentioned SGI rates — 48 per cent. I want to tell you one thing. You know, Mr. Hon. Member, 48 per cent of a small amount still comes out less than 25 per cent of a large amount. You never quoted in absolute terms the amount of insurance people are paying in other provinces. I can name you other provinces where they are paying \$400 to \$600 for their insurance, \$500 or \$600, and you take 25 per cent of that, and that is still going to be less than 48 per cent of what the average person in Saskatchewan pays . . . (inaudible interjection) . . . The gentleman is talking about Saskatchewan Power and he says our rates are so terribly high. Mr. Speaker, they are not high in relation to other provinces. I can think of one jurisdiction, a jurisdiction which I know that they love, and a private company, Calgary Light and Power. There's no doubt their rates are lower. But, Mr. Speaker, it should be pointed out that Calgary Light and Power just services Calgary. Anything that's lucrative, this private enterprise company wants. But as far as the rural areas are concerned, do you know who can service a rural area in Alberta? Well, that can be the government. In other words, let the government pick up the tab when it doesn't make money, but when it makes money they want to be the first in there. And I say that's exactly what you people want. Don't disguise your true feelings. What you really want to do is get rid of Sask Power. We know that.

And then the gentleman talks about the price of gasoline being more in Ontario than it is here. Well, Mr. Speaker, why don't they join us in condemning the federal government for its policy of heavily taxing Alberta and Saskatchewan in relation to petroleum, and then using that money to subsidize the price of gasoline in central and eastern Canada? The gentleman talks about mortgage rates. He says the provincial government should (I assume he meant) subsidize mortgages for people who want to own their own homes here. Well, that's a tremendous idea, but do you know what that really does? When you subsidize, that just gives free reign to mortgage companies to charge anything they want, and then have the people of Saskatchewan pick up the tab. Instead of getting at the root of the matter he wants the provincial government to pick up the tab. Mr. Speaker, it looks as if I'm going to be running out of time so I just want to touch on a couple of points.

First of all, the gentleman says that all the good people of Saskatchewan have left. Well, that is a bunch of hogwash, Mr. Speaker, I want to tell you one thing. Last year approximately 12,000 people from Saskatchewan left for Alberta, but by the same token, 12,000 people came from Alberta to Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — And if you're telling us that the people who run our businesses in Saskatchewan, the people who run our universities, the people who run our other institutions, aren't as good as the people who left, I am going to say again that that is hogwash. You may not have any faith in the people of Saskatchewan, but we certainly do.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — The gentleman talks about free enterprise. Mr. Chairman, that's a myth. There's no such thing as free enterprise in this country. None at all. And that's been proven by the recent inquiry into gouging by the major oil companies of Canada. Mr. Speaker, isn't it funny now those gentlemen opposite (I don't think the lady has ever been involved in this) will sometimes take a name and question what occurred relative to that person, and smear him or her in this House. Then the federal government sets up an inquiry, and they find out that the oil companies, all of which are foreign, have been gouging the people of Canada to the tune of probably \$10 billion to \$30 billion over the past number of years. And the federal government says that it looks like there has been some gouging. Who comes to the defense? Members opposite and their counterparts in Ottawa. "Don't accuse the oil companies, they say. "Don't knock them until you have absolute proof." Nobody's accusing them but people are saying that there is something fishy. But I know why you would want to defend the oil companies. After all, if I got \$100,000 in a donation for an oil company every year, year after year, I, too, would feel obligated to depend on . . . Mr. Speaker, I think that I will close and I beg leave to adjourn debate, because I do have a few more words tomorrow.

Debate adjourned.

MINISTERIAL STATEMENTS

Increase in Day Care Subsidies

HON. MR. LINGENFELTER: — I am pleased to announce today the changes which will take place in the provincial day care program. The maximum subsidy level for children in licensed day care centres will be increased from \$150 to \$210 per child per month, and from \$120 to \$210 per child per month, in approved family day care homes. The income level at which full subsidy is available to both daycare centres and family day care homes will be increased from an adjusted family income of \$875 to \$1,350, or less, per month. The sliding scale of benefits will be adjusted upward for those families receiving partial subsidies.

Changes in the grants program include: increasing the annual supply and equipment grant for centres from \$500 per centre to \$100 for each licensed child-space per year; establishing a supply and equipment grant for approved homes of \$50 each for each occupied space; increasing the grants to centres for supervision of children with special needs from \$150 to \$200 per month; establishing an equivalent grant for homes to provide for the supervision of children with special needs, being \$200 per child per month; increasing the start-up grant for centres from \$400 to \$600 per child-space and for homes from \$100 to \$200 per home; establishing a stabilization grant for centres of \$50 per child space; and in addition, a substantial grant will be provided to those centres currently in greatest financial difficulty.

A special project team is to be established to work with native groups to speed up development of native day care services. My department will also place day care development workers in every social service region in the province.

The second stage developments for the day care program involves provision of greater assistance to parent boards of day care centres by department personnel and allowing proxy parent or trustee board members.

Pilot projects will be established with group day care homes, satellite systems,

involving one day care centre with several affiliated day care homes, and involvement of senior citizens in the day care centres.

In summary, our government will stabilize the daycare program immediately, by providing an 87 per cent increase in subsidies, and 330 per cent increase in grants, with an overall budget increase for our day care program from \$3.7 million to \$7.5 million, or 101 per cent increase.

I am convinced that with the initiatives I have just outlined, the Saskatchewan day care program will be superior to any other day care program in Canada.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. LINGENFELTER: — Mr. Speaker, I wish to table the day care review report prepared by the Department of Social Services.

MR. SWAN: — Mr. Speaker. Mr. Minister, I'm pleased, indeed, to hear you finally come up with your recommendations on the report which you have been sitting on since January. You played very innocent when I raised the question in the House the other day, as though you were not aware of the figures that Saskatchewan had been a long way behind the rest of Canada for a long time. I believe that many of the moves which you have made are moves in the right direction, but I hear the day care people still saying it won't cover the needs that they have. It is a step in the right direction but you haven't gone far enough. But I would like to raise a concern that I've had for some time, which is that each year you've put in your budget a figure for day care. When you go from 1972 to 1979 and look at how much was put in your budget and how much was actually spent over that period of time, you only spent 66 per cent of what you had budgeted for. Now, I don't know where you're going this year, if that program continues. You can put anything you like in the budget, if you don't intend to spend it. The only way we can tell whether you're going to spend it is to watch because the proof of the pudding is, indeed, in the eating.

Mr. Minister, I'm waiting with bated breath to read this report which you've kept under wraps since January. Normally, a report like that is given out to the public so it can see what the recommendations are and react to it. Why, then, did you have to hide it for at least two months and come up with a recommendation before the general public has had a chance to read the report? With those few remarks, I'll take my seat and I'll watch with interest the progress of day care. I hope that it's going to improve.

The Assembly adjourned at 5:07 p.m.