

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 12, 1981

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

QUESTIONS

Stolen Car Ring in Saskatchewan

MR. ROUSSEAU: — Thank you, Mr. Deputy Speaker. My question is to the Premier. We heard today of the stolen car scam operating in Saskatchewan and of the part of SGI (Saskatchewan Government Insurance) therein. We've also learned, Mr. Premier, that the ring has operated for one and one-half years because of SGI's lack of safeguards. (I'll deal with them in supplementary questions.) Mr. Premier, it has cost the taxpayers of Saskatchewan thousands, if not millions, of dollars. My question to you today, since all I've been getting from the minister are funny figures and poetry, is: do you have an estimate of SGI's losses as a result of this stolen car scandal?

HON. MR. BLAKENEY: — No. We do not have an estimate that would either confirm or deny the figures offered by the hon. member. I suspect we have as much evidence as he has.

MR. ROUSSEAU: — My supplementary question to the Premier, Mr. Deputy Speaker, is: are you not aware that this ring has operated successfully in Saskatchewan because of the lack of safeguards within the computer system? I'll give you some examples:

1. Improper computer programming, so that SGI's vehicle identification numbers are different from those of the manufacturer's vehicle identification numbers.
2. There has been no verification of the bills of sale.
3. No personal identification is asked for. This results in criminals filling out phony application forms for non-existent luxury or even "paper" cars and then reporting them as stolen, and having SGI pay out the insurance on them. Surely you must know the losses incurred.

Are you not aware that these are the reasons?

HON. MR. BLAKENEY: — Mr. Speaker, I have listened with care to the hon. member and, if I were not previously aware, I am now.

MR. ROUSSEAU: — Supplementary question, then. I'll go to the minister with the hope of getting some answers, Mr. Deputy Speaker. This scandal, Mr. Minister, has operated under SGI's corporate nose for about one and one-half years. How long have you known about it and what steps are you taking to correct your administrative errors?

HON. MR. ROBBINS: — Mr. Deputy Speaker, obviously they are not due to administrative errors; that's an assumption on the part of the member for Regina South. This problem does occur right across the country. SGI is being accused of paving the

way for fraudulent actions by allowing loopholes in procedural systems is just nonsense. The fact of the matter is that SGI looks after the registration of the vehicles but does not set the rules with regard to registration.

There's only one way for those schemes to work and that's for people to be willing to purchase stolen cars and/or to commit fraud. The fact of the matter is that fraud, forgery, theft or receiving stolen property are the basic points with respect to this particular situation . . . (inaudible interjection). . . Just hold your horses. If the Lane brain from Lumsden would listen for a minute, he might hear something. It's obvious that everyone should thoroughly inspect a car before completing the purchase and make sure that the serial number on the bill of sale matches the one on the vehicle. I want to tell the hon. member for Regina South that all jurisdictions across Canada have difficulties with this. I want to tell the hon. member (he doesn't like numbers), the payments for theft claims last year were in the range of \$2 million. We know that in jurisdictions everywhere across Canada there are some fraudulent claims. They do not exceed 10 per cent. Our security division is looking at that thing very closely, and we are working very closely with ICBC and others in an attempt to make sure that we stop this kind of process from going on.

MR. LANE: — Perhaps the minister doesn't understand what was being perpetrated here, so I would like to preface my question. The criminals were taking SGI registration forms out of SGI offices, completing them themselves with phony . . . (inaudible interjection) . . . Because the one who broke the story, Mr. Member from Dallas, has filled us in, and today the fifth, the sixth individual was convicted. Now what they were doing was taking SGI registration forms and completing them themselves with phony numbers. SGI systems were so lax that they were taking those forms, issuing plates, and issuing registrations for the vehicles.

MR. DEPUTY SPEAKER: — Could I have a question?

MR. LANE: — Mr. Deputy Speaker, perhaps I could explain it to the minister because he obviously doesn't understand how the scam worked.

The director of security for SGI has admitted to a television reporter that they don't know what the losses are, and they have no way of understanding because the SGI computer records are so bad that they can't figure out the losses. How can you stand up today and give firm estimates when your own security people are saying they don't have a clue what those losses would be?

HON. MR. ROBBINS: — Mr. Deputy Speaker, the person who doesn't have a clue of what's going on is the member for Qu'Appelle. I said this is a problem across the country, and we are dealing with other organizations across the country, such as ICBC, in an attempt to stop this sort of thing from happening. I read from *Insurance Digest*:

Organized crime, for example, has produced the paper car — an automobile that doesn't exist, but is registered and insured solely for replacement value. One company's file showed 15 per cent of 400 new policy holders insured paper cars in Massachusetts.

It is apparent that there is some of that going on, but we are taking the steps as best we can to stop it. Obviously, as I said before, we only administer the registration of the vehicle. The Attorney-General's department will have to devise means in terms of highway traffic board control . . . (inaudible interjection) . . . I'm simply stating a fact.

SGI cannot be charged with the responsibility in this respect except that it administers the registration of the vehicle.

MR. LANE: — Mr. Minister, in fact a couple of years ago SGI took it upon itself to take over responsibility and control of registration of vehicles from the highway traffic board. You asked for that responsibility.

You say that the scheme operated across Canada. That is false because it operated in Alberta and Saskatchewan. The interesting thing is it was only Saskatchewan which was paying out the insurance plates through its own government insurance. Now how can you say it was across Canada when that's not true?

MR. DEPUTY SPEAKER: — The hon. member for Regina South. New question.

MR. ROUSSEAU: — Mr. Deputy Speaker, I have a further question to the minister responsible for SGI. You indicated this is a recent problem within your corporation. Are you now aware, Mr. Minister, of a very comprehensive report submitted by a firm of chartered accountants back in 1974 outlining exactly the problems that have been discovered now? I can read to you some of the recommendations that were made by the chartered accountants. I have two volumes of them, and they were all relating to SGI and vehicle identification. One of them is that a means must be found to verify the accuracy of the serial number before entering the system, and to ensure accuracy and continuity at time of transfer. Bill of sale — another recommendation that they must be verified and checked. Protection against theft and fraudulent registration of a vehicle — all recommendations. I ask the question: were you not aware of this and have you not read this report since 1974? The problem has been there since 1974. You are now just coming along and saying that this is a new problem to you, when in fact you've had it all this time.

HON. MR. ROBBINS: — Mr. Deputy Speaker, obviously the security division has been looking at this fact all along. I don't know whether the member for Regina South, because he's a former car salesman, knows more about it than somebody else or not. The fact of the matter is that it is widespread across the country, but, in terms of the total losses that have occurred — as I said before, \$2 million in theft claims paid by SGI . . . (inaudible interjection) . . . Close your mouth, open your ears and listen for a minute. There was \$2 million in claims on theft out of \$107 million — with a portion of it, perhaps, fraudulent. But the security division is working on it. They are working on it in relation to other organizations which have similar problems.

Certified Titles for Automobiles

MR. COLLVER: — I have a question for the hon. Attorney General. Since the member for Saskatoon and the minister responsible raised the area of Massachusetts, obviously he's looking for good ideas from the United States. Is the Attorney General aware that in the jurisdictions of the United States that have had very great difficulties with this auto theft problem in the past, they require a certified title to be produced for every single vehicle before it is registered with the government? For example, in the state of Arizona it is required to be certified by a notary public. Is the Attorney General aware of that? And, would the Attorney General not agree that that would solve the problem, on behalf of the minister? Why in the world haven't you introduced a system like that, since you have had this study since 1974?

HON. MR. ROMANOW: — Mr. Deputy Speaker, I believe that the question comes from

the former leader of the Conservative Party who, while as leader, was very critical of us, as a government, for being very bureaucratic, very much entangled with paperwork, very much involved in the lives of people by requiring a multiplicity of work. The simple fact of the matter is that I acknowledge that this is a problem. I acknowledge that there may be better ways in which to cope with this problem. Law enforcement officials have brought it to my attention. There may be ways to computerize it. There may be systems which may be devised, and ought to be looked at through a combination of SGI, highway traffic board, and the Attorney General, to cope with the problem. But I doubt that the answer is the strict ponying up of a title before registration. I don't rule that out, out of hand. I think it existed in some other provinces a long time ago and we have evolved and discarded that way of doing it. Maybe it is more relevant in the 1980s, but I do simply indicate that it does, at first glance, strike me as something which carries with it additional bureaucratic difficulties. So, am I aware? The answer is no, other than generally. Do we need to look to see if we can stem the problem? The answer is yes. Are there any simple answers? The answer is no.

MR. COLLVER: — Supplementary question. The Attorney General, since he is only aware generally, and has not bothered to study the situation in those jurisdictions where they are presently in use, will learn that there is far less paperwork with the title system than there is with the system the minister presently uses. He will learn that there is less bureaucracy with the title system than there is with the system that the minister presently uses. They do not have this kind of scam. They have other kinds of scams, but they don't . . .

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

MR. COLLVER: — Would you give this Assembly your assurance today that commencing immediately your government will give top priority to an examination of the various systems of protecting the people of Saskatchewan from this kind of insurance scam, and will you directly examine the title system for a vehicle as a means of correcting this problem?

HON. MR. ROMANOW: — Mr. Speaker, I will certainly give the hon. member assurance that I will ask the appropriate ministers and agencies (and I'm prepared to assist in this regard) to look at the titles approach as a mechanism for preventing these kinds of difficulties. I do want to indicate to the hon. members of this House that, notwithstanding their position or other positions, I doubt that there is any system devised anywhere (certainly not on the North American continent) which would be foolproof to an ingenious person or one who is intent upon committing a criminal act.

It is also correct to say that you can choose any kind of example respecting registration or thefts, if you will, and make a political or public issue out of it and say there is a major problem when, in fact, the problem is not major or any different from those which exist in other jurisdictions with other systems of protection. So, the simple fact of the matter is if the hon. members opposite are urging us to improve it and continually look at improving it, the answer is yes, we will do that. But, Mr. Deputy Speaker, it is wrong and it is irresponsible for the opposition to give any ready solution . . .

Number of Stolen Cars and Loss to SGI

MR. TAYLOR: — Mr. Deputy Speaker, a question to the minister responsible for SGI. Mr. Minister, I've been sitting here listening to your feeble answers to these questions, and you come out with the statement that the losses are \$2 million. You have no idea. You

can't put a figure on the stolen cars; you have no idea how many there are. I say to you, why don't you admit to this Assembly that you have no idea what the loss to SGI on this scam has been, and quit trying to give us some figure of \$2 million?

HON. MR. ROBBINS: — We have a hearing program and I wish the member would subscribe to it. The fact remains, I have already told him, that theft losses were around \$2 million, and less than 10 per cent of that can be attributed to fraud . . . (inaudible interjection) . . . Because that's the information I have from the corporation. Where else am I going to get it?

I also made the statement that it is evident in other jurisdictions; I read from *Insurance Digest*. The fact of the matter is that it's a minor problem. I'm not saying it doesn't need correction; obviously it does. But in relation to the organization as a whole, it is not a large loss.

MR. LANE: — The reporter who released the story this morning indicated that the RCMP indicated to him that it had done a spot check of approximately 1,500 vehicles, and of those, it estimated that the number of errors in vehicle identification numbers from SGI computer figures is in the range of 30 per cent to 40 per cent. How can you say that you have an idea of the loss when your records are out 30 per cent to 40 per cent?

HON. MR. ROBBINS: — Mr. Deputy Speaker, that is pure speculation on the part of the member for Qu'Appelle.

MR. DEPUTY SPEAKER: — Order, order! The hon. minister can answer the question.

HON. MR. ROBBINS: — In the period of one and one-half years that the member for Regina South talks about, it is believed that about 60 vehicles were stolen, and about one-third of those have been recovered. Those figures are far more accurate than the figures from over there.

Licensing of Auto Wreckers

MR. LANE: — I would like to direct a question to the minister. First of all, they don't know how many vehicles were stolen; they were stolen in the United States. But another problem exists of which I am sure the Attorney General and maybe even the minister is aware. That is that there is always a concern and a practice of stolen motor parts as well, and for that reason The Vehicles Act, in section 61, requires every auto wrecker in the province to be licensed. Yet when you shifted the administration over from the highway traffic board to Saskatchewan Government Insurance, it is not requiring licenses any more; someone forgot about them. And in 1980, only one auto wrecker in the province was licensed, only because he made application himself and not because it was initiated by SGI. What steps are you now taking to comply with The Vehicles Act of the province of Saskatchewan?

HON. MR. ROBBINS: — Mr. Deputy Speaker, I have already informed the member that steps are being taken, but he won't listen anyway.

MR. LANE: — Supplementary to the minister. Under section 62 of The Vehicles Act, all auto wreckers in the province are required to send out a report to SGI each year, including the serial number of any vehicles wrecked, so they could, in fact, eliminate the vehicle identification number from the SGI records.

A review of the auto wreckers indicates that no one has ever heard of a form or requirement and those not hearing about it include SGI's salvage division. Now, what actions are you taking to bring your department in line with the requirement of The Vehicles Act? It's another indication, will you not admit, of some pretty sloppy and inefficient management?

HON. MR. ROBBINS: — No, I will not admit that. That's a pure assumption on the part of the member for Lumsden-Qu'Appelle.

AN HON. MEMBER: — We'll be back tomorrow, by the way.

HON. MR. ROBBINS: — Fine, I hope you will. The fact of the matter is I will take it as notice and get a report on that.

Differing Insurance Rates on Identical Vehicles

MR. PICKERING: — Mr. Deputy Speaker, a question to the minister responsible for SGI. I just happened to come up with another one. We'll let you try to wear this one.

Mr. Minister, General Motors of Canada advises me that the Pontiac Phoenix and the Chevy Citation are identical cars, both front-wheel drive. Yet upon checking insurance fees for these vehicles, my findings are simply this: for a 1980 model Pontiac Phoenix, \$305 insurance; a 1980 Chevy Citation, \$260. This is a difference of \$45. For a 1981 Pontiac Phoenix, insurance is \$320; for a 1981 Chevy Citation, \$290. This is a difference of \$30. Would the minister inform this Assembly why these fees differ for identical vehicles:

HON. MR. ROBBINS: — Mr. Deputy Speaker, I caught that the day after the rates came out and notified them and changes are being made.

MR. ROUSSEAU: — How many more vehicles did you discover were involved in the incorrect insurance ratings:

HON. MR. ROBBINS: — We found one or two others, Mr. Deputy Speaker. It's not unusual to have a few errors in 8,000 models.

MR. ROUSSEAU: — Just a suggestion to the minister that you check further. There are a lot more.

Rebates for Insurance Overcharges

MR. LANE: — Have you indicated to the owners of those vehicles, who have been overcharged because of error, that there in fact will be a rebate, and that rebate will be paid immediately from SGI?

SOME HON. MEMBERS: — Hear, hear!

HON. MR. ROBBINS: — Mr. Deputy Speaker, obviously adjustments will be made.

MR. ROUSSEAU: — Which way are you going to make the adjustments — upwards or downwards?

HON. MR. ROBBINS: — Mr. Deputy Speaker, maybe we'll split the difference.

MR. ROUSSEAU: — Mr. Deputy Speaker, obviously there has been absolutely no research done in determining what the rates of these insurance policies should be. How can you possibly stand there and indicate that you're going to split the difference when a fixed rate, based on research, has been determined for those automobiles in the past and according to your statements recently, in the last two to three years? In fact, they have only been on the market for a year?

SOME HON. MEMBERS: — Hear, hear!

HON. MR. ROBBINS: — Mr. Deputy Speaker, the member for Regina South should calm down; I said facetiously that perhaps we would split the difference.

Mr. Deputy Speaker, we set the arrangements on the basis of the initial price of the vehicle, the frequency of accidents, and the repair costs. Adjustments are made from time to time if that is found to be necessary, and he knows that as well as anyone else.

MR. PICKERING: — Mr. Deputy Speaker, you indicated that you caught this error one day after the new rates came out. You have now had six weeks, and all the issuers out in rural Saskatchewan have not been notified about this. Why have they not been notified and had the rates changed?

HON. MR. ROBBINS: — Mr. Deputy Speaker, I don't know how to respond to that except to say that the notification went back through the office and adjustments are being made.

Firings at Mistikwa Community College

MR. TAYLOR: — A question to the Minister of Continuing Education. Since you have not tabled your findings and problems at Mistikwa College, I have been supplied with a copy of the Glendinning report which states as follows:

It is apparent that Mr. Ted DeCoste, the principal, is extremely proficient in the utilization of his position to peruse policies he favors and objectives to which he aspires. In this regard he has been able to exert a remarkable influence within the Mistikwa Community College board of directors, which is comprised of individuals who, from my observations, are, without exception, capable, independent and articulate persons in their own right.

To me, Mr. Minister, that sounds a lot like the description of another employee of the government, one Mr. Elton Marshall, who was abruptly dismissed. Why then would this report recommend the firing of that principal, Mr. Ted DeCoste, and failing that, the firing of the board of the Mistikwa College, if those are the type of people they are described to be?

HON. MR. McARTHUR: — Mr. Deputy Speaker, one would have to read the Glendinning report in its totality to understand the reasons for the recommendations. The hon. member extracts one quote from it in which Mr. Glendinning, as I understand it, is attempting to show the setting for his findings. In order that all hon. members may have access to the report, I will table it for any members who wish to look at it.

The Glendinning report does indeed suggest that there were serious administrative

problems associated with the dispute which arose between the North Battleford Public School Board and the Mistikwa Community College Board. The Glendinning report recommended that certain actions be taken by the board with respect to that. It was my conclusion, in discussing this matter with the board, that their unwillingness, in my view, to give the Glendinning report the kind of consideration that it required (in addition to other administrative difficulties which directly involved the college and the board) gave me no choice in my role as Minister of Continuing Education but to place a new group of trustees in position over that college. They were to address these problems and try to bring about a situation whereby the college could be operating we under standard administrative practices and within my confidence.

MR. TAYLOR: — Supplementary question. I should note that the board that was fired showed great support for the principal. The enrolments are up; the finances of the college are up. Mr. Minister, in the last session we debated whether you were acting in the best interests of education by accepting the de Vlieger report, or by listening to the elected school trustees of the urban centres of this province. Now, we see again, you are acting on the recommendations of the Glendinning report and disregarding the concerns of the board of Mistikwa College. When are you, as Minister of Education, going to quit listening to your hired political hacks and start listening to the boards of the colleges out there?

HON. MR. McARTHUR: — Mr. Speaker, the hon. member appears to want to have it both ways. I remember early in this session he rose and asked me when I was going to do something about some difficulties he had perceived with respect to the administration of the Mistikwa Community College. I am not sure I fully understand what the hon. member does stand for. I will point out to the hon. member, however, that I do have a responsibility to ensure that the administration of the community colleges is carried out in accordance with the act and the regulations, and in accordance with good administrative practice.

I will point out to the hon. member that in the case of Mistikwa Community College, I identified a number of difficulties which, in association, led me to conclude that this step was required. There have been difficulties with respect to the college failing to meet the administrative requirements of the act and the regulations, and the failure of the board to take steps to rectify those problems. There has been difficulties at the college with respect to some serious errors in billing with respect to certain programs that the college . . .

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' and the amendment thereto moved by Mr. Rousseau.

HON. MR. HAMMERSMITH: — Mr. Deputy Speaker, it is with a great sense of optimism at the challenge this 1981 budget presents to the people of Saskatchewan that I address my comments today. It is a budget of promises fulfilled, a budget that has particular significance for the people of northern Saskatchewan, a budget that addresses the challenges of today with a full and positive commitment to

Saskatchewan people.

I congratulate my colleague, the hon. member for Humboldt, on presenting a budget of optimism for the people of Saskatchewan, particularly in a time when budgets of Conservative governments across this country are filled with so little hope for people. It is a happy combination of sound fiscal management of our economy with a compassionate regard for the people who live here. And, Mr. Deputy Speaker, it is with some pride that this government can say that our sound Saskatchewan economy has not been achieved, as is the case in other jurisdictions, at the expense of the elderly, the sick and the unemployed.

The lead editorial in the *Prince Albert Daily Herald* of March 7, 1981, echoes the sentiments of Saskatchewan people in regard to this budget. They called it the "Good News Budget." The article went on to say, and I quote:

Thursday's provincial budget speech by Finance Minister Ed Tchorzewski can be simply labelled good news. The provisions announced for the coming fiscal year have benefits for each of us as Saskatchewan taxpayers, and for Prince Albertans specifically . . . We are pleased to see a balanced budget. Deficit budgeting always worries us and with a . . . \$2 million surplus forecast in the \$2,287 billion budget, the finance minister is obviously moving in the right direction . . . Particularly pleasing to see is the emphasis on economic development, job training and local government in northern Saskatchewan . . . For Prince Albert, the announced technical institute . . . is warmly welcomed.

Mr. Deputy Speaker, warm words of praise for this budget from the *Prince Albert Daily Herald*. This budget is good news, good news for all the people — not just some of the people, but all of them. The impact of what is proposed will touch everyone with measures to continue, strengthen and expand our economic development programs: new developments in agriculture, housing, tourism, highways and capital construction. Linked with these measures are new and expanded training programs to ensure that Saskatchewan residents are able to participate fully in the employment opportunities of the 1980s.

Mr. Deputy Speaker, this budget holds great promise for Saskatchewan people, and the promise it holds for the people of northern Saskatchewan give me particular pride in the accomplishments of this government. The terrific impact of what this government has done in co-operation with northern people is clearer when viewed in relation to 1972.

There was a big job to be done in northern Saskatchewan then. There, in a vast territory, people had been neglected for far too long. They awaited their turn to join in the destiny of our province. We made a commitment to those people in 1972. We continue to act on that commitment, and we have made significant progress toward fulfilling that commitment.

Today, Mr. Deputy Speaker, the people and the communities of northern Saskatchewan stand on the threshold of taking a full and equal economic, social and political role in the life of this province.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. HAMMERSMITH: — This budget is one more major step toward the realization of a vision for the North for the 1980s and 1990s, a vision in which all of us, north and south, grow stronger by helping each other and by working together in a partnership of greater and greater equality.

A few brief statistics point out the job that had to be done when DNS was formed at the beginning of the '70s. Northern Saskatchewan was an area with:

1. An infant mortality of 61 per 1,000 live births;
2. An average annual wage of only \$2,200;
3. 47 per cent of the population dependent on welfare;
4. 43 per cent of the houses without electricity;
5. One doctor for every 2,200 residents;
6. One public health nurse for every 2,000 residents.

And there were some broader indicators, Mr. Deputy Speaker:

1. 32 per cent of the population had no road access;
2. 42 per cent had no year-round airstrip access;
3. Less than 20 per cent of the students were enrolled in grades 7 to 12;
4. Only 18 per cent of the teachers in the North had degrees.

There has been a dramatic change in the North since that time, Mr. Speaker. Last year we reported what a profound change has been brought about in northern Saskatchewan. Revenue to commercial fishermen increased by 49 per cent; revenue to trappers increased by 73 per cent in one year; over 1,200 homes were built; over \$30 million was provided for school construction; \$150 million was used for a variety of capital facilities to improve services. One of the best indicators of the improving economy in northern Saskatchewan is that social assistance dependency dropped from 47 per cent to 14 per cent.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. HAMMERSMITH: — Mr. Deputy Speaker, I mention a few of these differences between what was and what is in northern Saskatchewan to underline the extent of this government's commitment. More remains to be done. And it will be done by this government. We are getting on with the job of building a society of lasting value for Northerners in particular and for Saskatchewan in general.

In 1981-82, the Department of Northern Saskatchewan will continue to promote the social, economic and political development of the North. We will undertake bold new initiatives in all three of these areas. In addition, the department will continue to provide Northerners with much-needed capital projects. More than \$25 million will be spent in the coming year on airfields, roads, municipal and public facilities, and schools. Over

200 public housing units will be built. The Key Lake Road will be completed. Construction will continue on the Beauval-Pinehouse road and on the road to Dillon and Michel village. Crews have already begun clearing for the extension of Highway 105.

The Department of Highways will also be making major improvements to Highway 155 on the west side and Highway 106 to Creighton.

All of these projects will incorporate programs designed specifically to increase northern employment and provide on-the-job training for Northerners and enhance northern business opportunities. These programs will be of significant benefit, but they cannot meet all the training needs of the North. That is why this year the department will increase by more than 75 per cent the funds it will spend on training. This will permit us to double the number of people who can be trained to an employable level in one year.

An additional \$2 million will be expended on new skill training courses to be delivered in co-operation with northern community colleges. A new community college will be established on the east side. The Buffalo Narrows Training Centre will be fully operational this year. A residence, adjacent to the centre, will open in a few weeks. This facility will provide many courses not previously available in the North.

A chemical technology laboratory will be built in La Ronge. This facility will deliver accredited courses related directly to the needs of the mining industry.

Training modules will be used to deliver more programs at the settlement level. Tractor and semitrailer units will be acquired so that transport training can be provided throughout the northern administration district. Greater use will be made of existing facilities such as the La Loche Vocational School which opened a year ago.

Another \$1 million will be budgeted to assist Northerners to acquire skills leading to employment with the public service. The report of the Key Lake Board of Inquiry identified the need for increased training programs in the North. This year, the department's budget for training has increased to more than \$5 million.

There will be other initiatives in the social sector. As outlined by the Minister of Social Services, day care funding will rise dramatically. The home care program is being extended to cover the North. Mr. Deputy Speaker, \$800,000 has been allocated for the construction of three corrections facilities for non-dangerous offenders. A bush camp and residences, in each of Creighton and Buffalo Narrows, will provide rehabilitation services for people convicted of minor offences in the North. The alcohol education program is being expanded with a new program for adolescents.

Through these social and educational initiatives, Northerners will be better equipped to take advantage of the many new opportunities being created in a developing North. And these new opportunities are not only found in mining-related activities. The traditional pursuits of northern people — trapping, fishing and forestry industries — will continue to be an important base for economic development.

In 1979, total revenues to commercial fishermen were \$1.7 million. In 1980, this had increased to \$3.1 million. The commercial fishery is a valuable renewable resource to more than 800 licensed fishermen. In the past year and throughout 1981, the department will be working directly with fishermen to streamline the fish packing-and-processing industry. A major thrust in this process will be an increased emphasis on

the development of local fishery organizations and co-operatives.

Fur production in the North is also on the rise. There are approximately 2,300 active trappers in northern Saskatchewan. Total revenues to trappers increased from \$1.6 million in 1979 to \$2.7 million in 1980. This year, the department will transfer to the Saskatchewan Trappers' Association the responsibility for administering several support programs.

In 1981, we will introduce a traditional resource-user policy. The policy will guarantee trapper access to land and the right to harvest fur. It will establish criteria to provide for financial compensation to be paid to trappers who experienced loss as a result of tourist, forestry or mining activities.

Agriculture is becoming more important in the North. In 1977, there were only four holders of wild rice permits producing 60,000 lbs. In 1980, this number has increased to 26 and production grew to more than 320,000 lbs. In 1981, there will be 200 leaseholders and production is expected to reach 600,000 lbs. The department has been responsible for developing new harvesting equipment and planting new wild rice stands. A wild rice growers' association has been formed and a processing plant is under consideration.

In the current year, \$80,000 has been budgeted for an agricultural testing station. In addition to doing research on wild rice production, it will investigate peat preparation, honey production and other food possibilities.

Mr. Deputy Speaker, I have talked about some of the things this government has done to strengthen the traditional renewable resources of the North. We are also taking steps to ensure that Northerners benefit fully from non-renewable resource development. In this regard, I would like to make mention of recommendations contained in the Key Lake Board of Inquiry report. The report clearly reflects northern opinions and concerns as expressed during the board's public hearings. The result of the report is that the government intends to negotiate an even more stringent lease for the Key Lake project than the one existing for the first surface lease negotiated by the Department of Northern Saskatchewan for the Cluff Lake mine. We will expect:

1. Fifty per cent northern employment from the start of production with higher targets for future years.
2. An affirmative action program for the Key Lake Mining Corporation and development of a major apprenticeship program as part of the company's training obligations.
3. A northern commuter system to pick up northern employees at various locations.
4. Establishment of a Key Lake Mining Corporation office in La Ronge to assist northern personnel recruitment and northern business contracts.

Mr. Deputy Speaker, our policies and regulations concerning the Key Lake mine development will further enhance a level of northern achievement unmatched in any other northern jurisdiction in Canada.

I am also pleased to announce that a northern economic development corporation will be established as part of a province-wide northern and native economic development foundation. This corporation will provide loans to Northerners and will participate as a

partner in developing private, corporate and co-operative enterprises in the North.

Mr. Deputy Speaker, let me turn now to the third major priority in the budget for northern Saskatchewan. Today, at the conclusion of my remarks, I intend to table a white paper on a proposed northern municipalities act for northern Saskatchewan. The white paper will form the basis of a new northern municipalities act to be submitted to this legislature. It outlines what will be a great achievement for the people of northern Saskatchewan: self-government on an equal basis with all other residents of this province.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. HAMMERSMITH: — Mr. Deputy Speaker, this government just doesn't talk about local control and local decision-making. This government acts. And, as this white paper outlines, this government is acting to assist northern people in creating the most progressive and advanced municipal government structure in all of northern Canada.

For a few moments, I would like to review the development of government in northern Saskatchewan. Mr. Deputy Speaker, it was a CCF government, the government of Tommy Douglas, which first recognized the need for special government initiatives in the North. That government introduced The Northern Administration Act in 1948 to provide for the delivery of provincial government services and community administration. Over three decades various amendments were made to the act as local government was introduced and expanded. In the 1950s, Creighton, La Ronge and Uranium City achieved municipal government status as incorporated villages and town. In the 1960s, local community authorities and local advisory councils were introduced to several other northern communities with very limited roles and finances.

In 1972, this government introduced a second major piece of legislation to the legislature creating the Department of Northern Saskatchewan. The creation of DNS recognized that development in the North had lagged; that social, economic and political development needed a unique approach, special initiatives and courageous new government programs to do the job that needed to be done.

Mr. Deputy Speaker, as I've pointed out earlier, DNS has literally transformed the North. It was the New Democratic Party government of Allan Blakeney which listened to the aspirations of northern people for greater self-government, aspirations which led to the NAD act being amended, creating the northern municipal council in 1973. This brought municipal government to all citizens who hadn't been represented before. Today, I am pleased to say that councils exist in 36 communities.

For 1980-81, provincial operating grants to these councils totalled \$3.2 million and, excluding the three incorporated centres, \$2.5 million was provided to other northern councils in 1980 — a dramatic difference from the \$32,000 which had been provided in 1971. This year, grants to northern local governments will increase by 16 per cent. And, Mr. Deputy Speaker, these funds are being well-administered by northern people. These councils provide municipal services, operate municipal utilities, oversee planning and zoning, and administer recreation programs. In all aspects of life in northern Saskatchewan, northern people have shown they are willing and able to run

their own affairs.

All provincial schools in the North are now administered by elected school boards. Northern residents administer community colleges, run local housing associations and oversee economic development funds. Today, Northerners own their own businesses, operate their own alcohol rehab centres, direct a northern job-placement service, and administer day care and child care services.

Now, they have indicated a desire to take the process of self-government a step further. This government has listened to them with a third piece of legislation affecting the development of northern government.

The Northern Municipalities Act, which the white paper proposes, is a direct response to the Options '80 consultation process which was initiated by DNS one year ago. Options '80 involved northern local governments in discussing the future development and operations of municipal government. And, from those discussions a consensus emerged on which the white paper is based. Mr. Deputy Speaker, I would like to briefly review the structure and responsibilities proposed for municipal government in the North.

The three presently incorporated centres of La Ronge, Uranium City and Creighton would become northern towns with few changes from their present status under The Urban Municipalities Act. The existing nine local community authorities would become northern villages with powers and duties similar to villages in the southern part of the province. They will gain more powers with respect to borrowing, zoning, bylaws, assessment and taxation. Local advisory councils, depending on their assessment and their wishes, may become either northern hamlets or northern settlements.

The paper also proposes five regional councils, five regional municipalities, following boundaries presently used by the northern municipal council.

Finally, the white paper envisions formation of a northern development board. Representatives from each of the five regional councils will participate on the board to review issues affecting the entire North.

This structure for northern local government, once it is in place, will be reinforced with a \$55 million, five-year funding program as was presented to you last week by the Minister of Finance in the budget speech.

Mr. Deputy Speaker, it is with a great deal of pleasure that I now table the white paper on a proposed northern municipalities act for northern Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. HAMMERSMITH: — Mr. Deputy Speaker, let me conclude by saying that these major new initiatives, when added to eight years of unmatched progress in northern Saskatchewan, will assure even greater achievements by the people of the North in the decade ahead. Mr. Deputy Speaker, I will be proudly supporting the main motion and opposing the amendment.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. KOSKIE: — Mr. Deputy Speaker, last year marked the 75th anniversary of

Saskatchewan's membership in the Canadian federation. The response to literally hundreds of family reunions, school reunions, and homecomings was most gratifying.

Celebrate Saskatchewan was a celebration of a lifestyle, culture and community. For to be a Saskatchewanite is much more than to be a resident of Saskatchewan. It is an attitude, shaped by the history of hard work and struggle, a geography suited to the agrarian life style, and a climate of usually long, cold winters. The attitude that has evolved under these conditions is reflected in a unique sense of community and co-operation. In recognition of the contribution the family farm has made to our economy and our culture, I was pleased to present Celebrate Saskatchewan heritage awards to many young farmers in the constituency, who continue to farm the original farm homestead.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. KOSKIE: — Mr. Deputy Speaker, I wish to join with others to congratulate the Minister of Finance for another outstanding budget. It was a balanced budget, a budget with the right priorities. Allow me, Mr. Deputy Speaker, to tell a part of the story.

The strength of the Saskatchewan economy is due to the planning and the foresight of the government which has taken the initiative to develop the natural resources of this province. This has diversified our economy, thereby strengthening our province's economic foundation. It has provided employment, particularly in key managerial and planning positions that might otherwise be filled from outside the province. And it is a policy which has provided the economic returns that are necessary to finance innovative social, health and educational programs.

The success story of the public ownership in the Saskatchewan potash industry is an excellent example of a move by a government to manage and develop the natural resources of Saskatchewan for the benefit of those who live here. How many people would say that our active interest in the potash industry was a bad idea? Of course it was a good idea; that has become self-evident.

Mr. Deputy Speaker, it may be very well to say that it's self-evident today, but it was not always so — not at least to the members opposite. Indeed, the government's decision to invest in the potash resources of this province was met with the greatest resistance and indignation.

How many here today will recall the remarks of the hon. member for Souris-Cannington in the debate on the Potash Corporation of Saskatchewan.

I will say at the outset that the Progressive Conservative Party is unequivocally and irreversibly opposed to this potash takeover for two reasons:

1. The financial problems arising out of the purchase of the mines;
2. And more important, the effect of the legislation on the people.

The hon. member went on to say:

There should not be one thin dime of taxpayers' money, public funds or general revenue invested in this venture.

And let me go on, Mr. Deputy Speaker. The hon. member for Qu'Appelle, Mr. Lane, spoke with the same Conservative air which is rather strange when you consider that he was a Liberal at that time. He said:

We in the Liberal Party (the now-Conservative member for Qu'Appelle asserted) have made it abundantly clear that we are totally and unalterably opposed to the nationalization of this potash industry, and that we feel that the nationalization of the potash industry is too great a risk for the people of Saskatchewan to take; that the nationalization of the potash industry proposed by the government opposite is poorly thought out, has been done with inadequate information, has probably been done in a fit of pique . . .

I want to say, Mr. Deputy Speaker, that although I am not so sure what the hon. member meant by a "fit of pique," I do know that the hon. member for Qu'Appelle and his conservative-minded Liberal colleagues were determined to scuttle the government's efforts to take the responsibility to manage and develop our potash resources.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. KOSKIE: — And let me tell a bit more of the story, Mr. Deputy Speaker. In this same debate, the hon. member for Rosthern, Mr. Katzman, stated that we were gambling with the people of Saskatchewan's money.

We presently get approximately \$118 million from the potash industry. What will we get if we nationalize the mines? Well, we will get a lot of potash.

An astounding statement, Mr. Deputy Speaker. The hon. member for Rosthern was partially right because we have indeed over the last six years got a lot of potash. However we are getting considerably more for it. For the fiscal year 1979-80, the Potash Corporation of Saskatchewan recorded a profit of \$116 million and, in addition, paid well over \$62 million into the provincial revenue in royalties, taxes and resource payments.

Last year the corporation recorded a record profit of \$167 million. On the basis of its increase in production, I expect that the corporation's upcoming annual report will indicate a record number of dollars paid into provincial revenues as well.

On debate respecting the potash development in Saskatchewan, the hon. member for Nipawin, Mr. Collver, then a Conservative, now a Unionest, stated that the threat of nationalizing the potash industry would most certainly damage Saskatchewan's reputation in the investment community, and damage the investment climate within Saskatchewan.

The potential for operating a highly successful potash industry was not at all apparent to any of the 22 members who were in the legislature during the potash debates six short years ago. I dare say, Mr. Deputy Speaker, that with the opposition's quality of judgment, I am not surprised that only 7 out of the 22 members in the House during the potash debate in 1975-76 are members of the legislature today.

Mr. Deputy Speaker, in 1977 the Potash Corporation of Saskatchewan employed 760 people, with a gross payroll and benefits of about \$6 million. Three years later, the corporation expanded, and employed 1,831 Saskatchewan men and women with a

gross payroll and benefits exceeding \$44 million.

The potash corporation continues with its ambitious \$2.5 billion expansion, with an objective of tripling its production by 1989. This expansion will attract new industries related to the potash and fertilizer fields. It will create employment and opportunities, and it will assist our objectives of continuing to be a stable and reliable supplier to our customers.

This year the potash corporation will pay a dividend to the heritage fund of \$50 million, but this proud rags to riches record of the Saskatchewan Potash Corporation really requires no further comments by me. After all, Mr. Deputy Speaker, it's just another success story for the people of Saskatchewan.

On Monday afternoon, the hon. member for Regina South remarked that Saskatchewan was a sleeping giant, a ship of state on a perilous course, and so on. I submit that the tired clichés are no match for hard facts. It is evident that the opposition's financial critic has not reviewed the latest quarterly provincial forecast prepared by the Conference Board in Canada, and I quote:

The forecast real growth of 3.1 per cent for Saskatchewan's economy in 1981 ranks it as the fastest-growing province in the most rapidly expanding region of the country.

Much of the buoyancy arises from the 7 per cent real growth estimate for agricultural production, but mining and manufacturing are also expected to post above-national gains in Saskatchewan next year.

And what is more, during the last year, Saskatchewan has had the second lowest unemployment rate in Canada. In 1980, the number of man-days lost due to strikes and walkouts as a percentage of the work force, was lower in Saskatchewan than it was in any province in Canada. In 1980, Saskatchewan had the second lowest gross debt per capita. In 1981, Saskatchewan will experience a greater percentage increase in new capital investment and in new construction than any other province in Canada.

Mr. Deputy Speaker, these are the facts of the performance of our economy. I say, these facts speak for themselves.

Let me turn briefly to agriculture. The history of Saskatchewan is, to a large extent, the history of the Saskatchewan farmer. The written accounts of early homesteaders provide fascinating reading and demonstrate the energy and ambition of people in search of a better future. Although we often think the concept of "pioneer" refers exclusively to those brave men and women who immigrated to Saskatchewan at the turn of the century and before, I believe that this original spirit of pioneering is alive and well and at work in the agricultural industry today. Innovative agricultural programs such as FarmStart, the land bank, the farm ownership board, and the crop insurance corporation may very well be viewed by our children as the work of pioneers in search of a better future.

With careful planning we have managed to diversify our economy to the extent that we are no longer subject to booms and busts in the agricultural industry. Nevertheless, agriculture remains the backbone of our economy and will continue to be the major economic force of our province. As a representative of one of Saskatchewan's rural constituencies, I firmly support our government's objective to strengthen our

agricultural industry. In this budget we see a commitment to agricultural research to ensure that the farm techniques used by Saskatchewan farmers are second to none in the world.

In light of the success of the Saskatchewan Hog Assured Returns Program (SHARP), and in view of the fact that the federal government has not taken the initiative to establish a national program, a voluntary beef stabilization program for slaughter cattle is planned.

Energy security is of vital concern to all of us, particularly to those in agriculture. This year, construction will begin on an ethanol plant. The feasibility of producing ethanol from cellulose will be explored, and a program to test alternative liquid fuels under prairie conditions will be launched. With the implementation of these programs, Saskatchewan will lead the rest of Canada in alternative liquid fuels technology. In a time when the availability of conventional fuels is uncertain and prices unstable, this will provide a measure of assurance that the fuel needs of our agricultural industry will continue to be met.

What is more, Mr. Deputy Speaker, we are launching a housing program for farmers. Mr. Deputy Speaker, this government supports the development of a strong agricultural economy. This budget is evidence of that fact.

Let me turn briefly to education. It seems to me that the future of our province, our country, and indeed of the peace and happiness of the world, will ultimately depend on the bright, sensitive, creative minds of our young people. Education must prepare them for the manual, technical, and human challenges of a rapidly changing society. To maintain and develop a system of quality education, grants for capital school projects will increase by 19 per cent. This will allow over 50 schools across the province to make necessary renovations and additions. It will include 10 new gymnasiums and 4 new schools. University operating grants will be increased by 12 per cent and university construction by 14 per cent. I am very pleased, as well, that the budget for the student bursary program to assist post-secondary students will increase by almost 20 per cent.

Mr. Deputy Speaker, I would like to turn briefly to the Department of Consumer and Commercial Affairs. The Department of Consumer and Commercial Affairs has an important role to play in the economic life of this province and in the operation of the Saskatchewan market place. The department is a new department in the sense that it has consolidated business and consumer services in one department. The positive response to this amalgamation from representatives of business and consumers has been very gratifying. There are already clear signs that the amalgamated department is improving communication between buyers and sellers.

The Department of Consumer and Commercial Affairs is also new in the sense that we have a new perspective on consumer and business services and how they may be most effectively delivered. In the past, a somewhat artificial and arbitrary distinction tended to be drawn between consumer protection laws and the laws which regulate business. In fact, the two are complementary, rather than mutually exclusive. The role of my department is to enhance this reality by fostering co-operation between business and consumers.

Whenever you have an economic activity of the magnitude we have experienced in

Saskatchewan under this government, there is an increased need for protecting the small investors. My department will be placing greater emphasis on increased protection for the investing consumer.

I am pleased to announce that three additional permanent staff will be added to the present complement of the Saskatchewan Securities Commission. This will enable the commission to continue to provide quality service, an opinion which I am confident you will find is shared by the investment industry and by the community.

In order to provide consumer services to more Saskatchewan citizens, the Department of Consumer and Commercial Affairs will establish offices in Prince Albert. These Prince Albert offices will greatly assist in delivering consumer and business services to northern residents of the province.

One of the social consequences of a rapidly expanding economy is an increase in indebtedness. Families of all income levels are subject to the perils of poor money management and heavy debt loads. Accordingly, Mr. Deputy Speaker, I am pleased to report to this Assembly that the Department of Consumer and Commercial Affairs will administer a comprehensive money management program for Saskatchewan. In addition to the remedial services of the province mediation board, the new program will focus on public education and counselling. The objective of the program is to provide a comprehensive management service to all Saskatchewan citizens. Helping people make the best use of their own resources is a worthy objective, one which should receive the support of the hon. members.

Mr. Deputy Speaker, under the leadership of Tommy Douglas, Woodrow Lloyd and Allan Blakeney, the people of Saskatchewan have created the finest health care system in North America. The ideas conceived and fostered here have provided the models for other provincial governments to follow. In this way, the programs implemented affect not only the citizens of this province, but also, less directly, our Canadian brothers and sisters in other parts of Canada.

Today, our outstanding system of health care is taken for granted. For is the value of our health care system not self-evident to the most conservative thinker? Would any of us here today deny the highest quality of health care to a resident of this province because he had not enough money to pay? Would anyone here deny that health care is every citizen's right? Maybe not. I wonder. But it is a fact, to which I am sure the opposition can attest, that this was not always so.

I am reminded of the point put forward by Arthur Schopenhauer. He wrote:

There are three stages in the revelation of truth: in the first it is ridiculed; in the second resisted; in the third, it is considered self-evident.

It is very well to say today that the benefits of our system of health care are self-evident. We must remember that they are self-evident only because the members of this party had the strength and conviction to fight for social justice in an atmosphere of ridicule and resistance.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. KOSKIE: — As a New Democratic Party member, I believe that I am my brother's keeper and as my brother's keeper, I believe in a system of health care that is

free, universal, comprehensive and of the highest quality.

Mr. Deputy Speaker, I want to say that I have much pleasure in endorsing and supporting the original motion and voting against the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. CHAPMAN: — Mr. Deputy Speaker, it is indeed a pleasure for me to be in the Assembly today to participate in this budget debate. It is a special privilege for me to be able to join in support of a budget that reflects strong economy in Saskatchewan, an economic development which was a vision of our forefathers and which now we see as a reality. The type of social and human support and development in our province was only expressed in my earlier years as an idea or a dream attainable under a planned and democratic socialist government.

Today, with due recognition of my forerunners, it is indeed a privilege to join in the concurrence with a budget that reflects the benefits of planned economic growth, and to be part of a budget that has a priority: the social or human support and development of its people. The budget before us is one, I am sure, which the people of Saskatchewan will whole-heartedly support.

As was the case last year, this year our government has again produced a balanced budget — a balanced budget of which we can be very proud. Despite a worsening recession in Canada and a ballooning national deficit, Saskatchewan has this year budgeted for a \$315 million surplus. At the same time, personal and small business taxes will be cut, while spending on social services, health, and education will increase significantly.

Mr. Deputy Speaker, this budget clearly shows that the Government of Saskatchewan is responsive to the needs and the aspirations of its people. There is also an important lesson to be learned from this budget. The Conservative opposition and its counterparts in the other provinces have some strange notions about sound economic management. They say that governments must exercise restraint in balancing their budgets. This, they say, means governments must choose either higher taxes or reduced social programming for people, or maybe even both. Our budget is balanced. Our personal and small business taxes will be cut. Our social programming will be increased. And that is what good fiscal planning and management is all about.

SOME HON. MEMBERS: — Hear, hear!

MR. CHAPMAN: — Across Canada today, governments are grappling with problems created by financing huge deficits in a time of high capital costs and soaring inventory and maintenance costs. Saskatchewan, by contract, enjoys the second lowest per capital debt load in Canada. The balanced budgets of the Government of Saskatchewan are a major reason for this accomplishment. A second major reason for the health of Saskatchewan's economy is that here resource revenues are used to benefit people.

Resource revenue benefits will provide \$550 million to the consolidated fund as a dividend to the people of Saskatchewan, sustaining and expanding the ongoing human support programs this government has pioneered: \$66 million for capital projects such as hospitals, development roads and municipal projects; \$78 million to help the goal of energy security on grants for petroleum and natural gas exploration, conservation and development. And yet our government has shown good stewardship

in its extraction of non-renewable resources, and the revenues developed therefrom have put into a heritage fund that will continue to provide increasing benefits for Saskatchewan people both now and in the years to come.

Thus, while across Canada unemployment, inflation and interest rates soar, resulting in no real economic growth, in Saskatchewan our economy will grow 1.5 per cent after inflation.

Mr. Deputy Speaker, the budget we are now considering is even more remarkable when one considers the serious uncertainties under which it had to be drawn up. The federal government's national energy program is causing a sharp decline in oil production, and all the oil that is produced is still subject to grossly unfair federal taxes arbitrarily imposed by the Ottawa Liberals. As well, the constitutional changes put before parliament have provoked a national crisis because they are really little more than a poorly disguised attempt to reduce provincial jurisdictions in a variety of areas. These changes leave the door wide open to widespread federal raids on our provincial revenue sources. I will, in a few moments, consider in more detail the effects and uncertainties created by this ill-conceived Liberal economic and energy policy.

But first I would like to examine some of the specific provisions in this budget. These provisions show that in Saskatchewan we believe in placing people first. It is a budget from which the opposition could learn a lot — particularly when they are in opposition.

The first point I wish to make regarding the 1981-82 budget concerns personal and small business tax. This year the personal tax rate in Saskatchewan will be reduced from 53 per cent to 51 per cent of the basic federal tax. The cost of the change to the provincial treasury is \$17.2 million, and about 2,000 people in Saskatchewan will be dropped from the tax rolls as a result.

This budget also extends tax relieve to the small business sector, which is so important to our economy in Saskatchewan. Again this year the tax rates for small businesses will be reduced from 11 per cent to 10 per cent. In terms of tax payable, that's a reduction of some 10 per cent.

As well, Mr. Deputy Speaker, small businesses in Saskatchewan will continue to benefit from the small business interest abatement programs, a 36 per cent increase in funding for the Aid to Trade program and a 12.5 per cent increase in funding for the Main Street Program. This tax cut will make Saskatchewan's small business tax rate the third lowest in Canada. It will also benefit over half the businesses in the province.

By extending tax relief to individuals and small businesses, our government has demonstrated that a balanced budget need not mean increased taxes. We must remember that in a time of high interest rates and soaring costs, government ought to live within its means by balancing a budget. Equally true is the fact that government ought not to cut back services and programs for people.

Mr. Speaker, many of my constituents are farmers, and there is much in the budget for them. Over \$5 million will be spent for a voluntary beef stabilization program. This budget provides for a 40 per cent increase in capital advances with \$35 million to provide land for new, developing farmers. This government also recognizes the important of agricultural research, and 1981-82 will see the expenditure of some \$4 million as the first step in a five-year \$25-million crop research and demonstration program.

FarmStart will continue to offer the lowest interest rates available to farmers. Its budget includes some \$33 million for loans.

Mr. Deputy Speaker, a few moments ago I mentioned increased funding for health care. This funding increase of some 16.5 per cent for our Saskatchewan Hospital Services Plan is most welcomed by the hospitals in Saskatchewan, and in particular for a hospital that I have been actively involved in as a member of the board: St. Joseph's Hospital in Estevan. Mr. Speaker, I endorse the substantial and increased funding of our hospitals. It is indeed clear evidence of our government's commitment to maintain and expand health care systems. Be assured, as a member actively involved in the delivery of health care, I will continue to urge a strong support for the funding of health care.

SOME HON. MEMBERS: — Hear, hear!

MR. CHAPMAN: — I also mentioned increased funding for education. Over 50 projects in the province will benefit from over \$10 million in capital grants to schools.

Mr. Deputy Speaker, this year Saskatchewan will spend over \$331 million on education and over \$605 million on health care. Nor does this mean spending on social services had to be curtailed. Over \$270 million will be spent on social services this year, a 14.9 per cent increase. Subsidy funding for special care will increase by 30 per cent. The 1981-82 budget includes \$11 million for home care. Funding for both the Saskatchewan Assistance Plan and the family income plan has been increased.

On balance then, the budget we consider in this Assembly is one that responds to the needs of our time. It is another balanced budget. Within those confines it extends a measure of tax relief to individuals and small businesses, and it also increases funding in the major areas of social programming.

But, as I mentioned at the outset of my remarks, there are serious uncertainties facing different sectors of our economy. These uncertainties are frustrating because they stem from irrational policies put forward by an intransigent federal government. We have some very serious, unanswered questions that the Ottawa Liberals seem determined to ignore.

Mr. Deputy Speaker, we face serious problems in the resource sector affecting our oil. Ottawa continues to plunder millions of dollars that rightfully belong to the people of Saskatchewan. Through its oil export tax, Ottawa dictates the price at which the oil will be sold. Now, by the national energy program, Ottawa seems bent on shutting down our oil industry in the province.

This Assembly has before it a motion which will deal specifically with the federal taxes imposed. At that time, I will deal in detail with the devastating effect that those federal taxes are having on the oil activity in the province and, in particular, the southeast corner of Saskatchewan.

We know that from 1973 to 1979, the federal export tax on oil took some \$840 million away from Saskatchewan. But there was no export tax on Quebec or Ontario's electricity; no export tax on B.C. or Alberta's natural gas; no export tax on any energy commodity other than Saskatchewan oil. In 1981 alone, the export tax cost

Saskatchewan \$572 million — three times the revenue from exported oil which Saskatchewan got.

Ottawa has also used the Petroleum Administration Act to arbitrarily hold down the price of oil sold in Canada, and, of that artificially depressed price, the federal government again taxes away the major portion. On domestic oil, the producer's gross is \$6 a barrel. Saskatchewan gets \$7.70 a barrel and Ottawa gets \$8.15 a barrel, for a total of \$21.85.

Yet the federal Liberals are quite content to pay the foreign suppliers \$40 a barrel for their oil. On domestic oil, then, Ottawa taxes away another \$500 million and, at the same time, prevents Saskatchewan from realizing an additional \$500 million by refusing to allow us to sell the resource at a fair market value.

This year, federal Liberal raiding on our resource revenues means Saskatchewan people will be forced to subsidize eastern Canadians to the tune of \$1.5 billion this year — \$1.5 billion! And now, the Trudeau Liberals have the gall to put forward a national energy program with a host of new taxes. The industry is now in decline because of that ill-conceived program. Mr. Deputy Speaker, 1980 was a record year for the industry in Saskatchewan. The national energy program will make 1981 a year of sharp decline. The 8 per cent tax on gross petroleum and natural gas means many wells are no longer economical.

Over the next three years, if it is found constitutional in the courts, the natural gas tax will cost Saskatchewan consumers \$200 million. Almost as shocking as these taxes are the call from members opposite for Saskatchewan to reduce its royalties, so that Ottawa can hog all of the revenue. Mr. Deputy Speaker, the callous plundering of our resource by the Trudeau Liberals appears to know no bounds. This year, they will rob every man, woman, and child in Saskatchewan of \$1,500 by means of the export tax and artificially depressed domestic prices.

We are also gravely concerned about the uncertainty and divisiveness created by the federal constitutional package. It, in itself, opens up a whole new area of provincial jurisdiction to federal interference. The debate last week brought many such examples before this Assembly.

Mr. Deputy Speaker, it will be my privilege to give this budget my support. Members opposite, who will not, must decide what alternative they favour: deficit financing with higher interest rates, increasing taxes at a time of high inflations, or cutting social spending. Alternatively, some of the more creative members on the other side might call for emptying out the heritage fund, robbing future generations in the interests of political expediency now. We reject these approaches. We intend to govern responsibly. We intend to advance a program of continued growth, as indicated in this 1981 budget for the province of Saskatchewan. Certainly, Mr. Deputy Speaker, I will oppose the amendment and support the main motion.

SOME HON. MEMBERS: — Hear, hear!

MR. SOLOMON: — It is with a great measure of pleasure, Mr. Deputy Speaker, and a feeling of pride in being part of this New Democratic Party government that I join in this debate. If I were considering the introduction of this fine budget from the perspective of a Conservative in Saskatchewan or of a federal Liberal, my reaction would reflect the

truth of the saying first coined by the immortal Mark Twain. I quote:

Few things are harder to put up with than the annoyance of a good example.

Mr. Speaker, the Conservative Party reaction, as voiced by the member for Regina South, aptly demonstrates the truth of that saying. He was angry, Mr. Speaker, that's what he said on the television news following the introduction of the budget, and that's what it said in the *Leader Post* the next day about the budget. The Conservative opposition is angry. I expect it is angry because this 10th budget of the Blakeney government is an example, a good example of fairness and humanity; a good example of government leading the way, as a good teacher does. The budget introduced by my colleague, the member for Humboldt, teaches people by its good example.

It is a budget which sets an example in restraint, yet harnesses the means available to us in the most judicious and thoughtful way to help unleash the great potential of our people in Saskatchewan. Few things are harder to put up with than the annoyance of a good example. Mr. Speaker, I can easily understand the anger of the Conservative Party. Their anger reflects the anger of their cohorts in Britain, where a Conservative government leads the country from confusion to chaos daily. Their anger has a certain similarity to that of the Republican government in the U.S., which the same day it cut subsidies to American dairy producers introduced a request to Congress to approve an additional \$33 billion for military spending.

Historically, Mr. Speaker, Conservatives like what they refer to as "tough guidelines" of "acute protracted restraint" but only as long as those tough guidelines aren't tough on them and their friends. So it is understandable when Conservatives see our government able to continue to set an example of fiscal responsibility, unequalled anywhere across our land — even in Alberta. It is an example provided without riding on the backs of the elderly, the sick and the unemployed — unlike Conservative governments everywhere. It's understandable they would be angry that this New Democratic Party government of Allan Blakeney has been able to show people that there is a better way.

I am sure the introduction of this budget has done much to alleviate the residue of bitterness felt by the people of Saskatchewan from irresponsible fiscal policies of successive Conservative and Liberal governments in Ottawa; the residue of bitterness created by Conservatives and Liberals who govern by expedience, a residue of bitterness stemming from the fact that Conservatives and Liberals just don't listen or think about the needs of their constituents. This government has listened. This government has thought about the problems facing our province and our nation. Mr. Speaker, this government has acted in the very best interest of the people who live here.

There is a better way; this budget maps out that better way. The good impact of the provisions set out in it are more easily seen when one contrasts what is happening in Saskatchewan with what isn't happening in the rest of the country. The contrasts are striking. The differences between what this government promised and delivered and what the federal Liberal government has promised and not delivered are very great. When we consider what is happening in our country in relation to what is happening in Saskatchewan, there are some stark differences. The continued ineptitude of the federal Liberal government makes you want to ask the questions: "Where are we going? Who is in control?" But not so in Saskatchewan.

Nationally, there are almost a million Canadians unemployed. Yet in Saskatchewan, in

1980 alone, a total of 8,000 new jobs were created by the continued growth of our economy. We know, at a time of economic uncertainty, there is always the temptation to tighten our belts at the expense of those who don't have jobs. This government knows that is unwise, because it is better to pay people to work than pay them not to work. In Saskatchewan we know that a government has a responsibility to take the lead in creating jobs. A budget like this one means we have to put our house in order by making sure we are efficient and by freeing up some money from capital construction to create more jobs. Unlike the federal government, and Conservative governments across this land, this government believes and practices the economic truth that a dollar spent by a government is as good as a dollar spent by anyone else and circulates just as well. It is even better if it creates a new job, builds something useful and stays in Canada.

How are we doing this? Not by supporting bankrupt multinational corporations like Chrysler and Massey-Ferguson, but by fighting against the branch-plant mentality of Conservatives and Liberals in a variety of ways; for example, through our Crown corporations, which give Saskatchewan people greater control over their future — Crown corporations like the Potash Corporation of Saskatchewan which has grown into one the world's largest potash producers, doubling its profits over last year to the record level of \$167 million. These profits aren't leaving Saskatchewan. These profits are staying in Saskatchewan to be reinvested in the expansion of our industry. In addition, \$50 million from the potash corporation will be paid as a dividend to the heritage fund.

Crown corporations, in total, employ over 12,000 people. Capital investment by the corporations will increase by 46 per cent over the next year to \$1 billion — that means 4,000 more construction related jobs alone. Contrast this with the sorry record, nationally, of industries no longer competing on world markets and the lack of national economic strategy.

We have put our people to work with Saskatchewan know-how. We have put our resources to work in Saskatchewan, for Saskatchewan. Unlike the federal Liberals who have fostered a branch-plant mentality in Canada — a mentality which says it is better to have multinational investments than Canadian investments — Saskatchewan has taken the lead in showing there is a better way.

One of the problems created by Conservatives and Liberals over the years is that they have enticed branch-plant industries into Canada. These are mainly industries owned and controlled by multinational companies meant to serve the Canadian market only. These industries do not compete against their company's other branch plants in other countries. Now what is happening in the world is that industry is migrating from the high wage areas, like North American, to low wage areas like Korea, the Philippines and Malaysia. Component plants are being established in these low wage areas. Plants which used to manufacture in Canada are now reduced to assembling components made elsewhere.

In Saskatchewan, we know this has been going on for a long time with farm machinery, but it's not going on with other products. Jobs and investment are being invisibly exported. It has gone beyond the power of a country to control. Fundamental decisions about our lives, our personal opportunities and our country's economy are being made by people in other countries. Under Conservatives and Liberals we've been content to let others come into Canada, use our resources and labor, and tell us what to do, but this is not so in Saskatchewan. Under our government we have gone a long way in

winning back our independence, because if we don't we know we will not solve our economic problems.

Common sense dictates that any economy left to its own devices would finish under the control of a very small number of individuals and corporations. We have a striking example of that, Mr. Speaker, right here in Regina, where Kenneth Thomson, who owns Simpsons and Hudson Bay, radio and television stations all over the world, breweries and newspapers, he has decided to close down Simpsons in Regina. There was no consultation with the people who work there. There was no communication. He just decided it was to his own economic benefit to throw over 400 people out of work, thus dealing a heavy blow to the economy of the city. That is why I say, Mr. Deputy Speaker, this government realizes that most of these outside owners are not responsive to the needs of individuals, of provinces or of Canada itself.

The New Democratic Party sees government as one of the key lines of defence against total loss of control. If our government won't move to pull our economy into line, who will? Surely not Kenneth Thomson or the PCs. In Saskatchewan and Canada, the chips are down. People expect their government to take action to protect their interests. That is why I say this budget sets a clear example to the people of Saskatchewan that their government has not deserted them. We have not let them down; we know there is a better way.

This budget provides energy and resource planning and industrial strategy and many other tools designed for Saskatchewan development. All of these are provided by a New Democratic government working with the private sector. Public and private ownership can and do co-exist comfortably in Saskatchewan in our mixed economy. Where the private sector can do the job, there have been clear rules and the freedom to get on with it. Where public enterprise is needed for efficiency, to protect the public interest or to carry out public policies such as our involvement in key resource industries and utilities, this is the route we have taken. That's why we've been able to keep a handle on our own economy. That is why this government has been able to produce this fine budget. And that's what makes the Conservative Party angry.

Private investors like to come to Saskatchewan. They like to come here because whatever the business they are involved in, the ground rules are clear. Whether it is investment in resources or anything else, this government has a clear idea of what benefits will accrue from such investment. And, our first concern is to the people who live here.

Let me relate a small example. One of the most dynamic areas of any economy today is the field of technology. Nationally, Canada buys 80 per cent of the technology we use from outsiders. That's not very good. Because when you couple this with the fact that we own only 45 per cent of our manufacturing industry and only 66 per cent of our economy, it isn't hard to see why we have problems in this country.

This sorry scene perpetrated by outdated, outmoded policies of Liberals and Conservatives has resulted in a negative trade balance of nearly \$90 billion in the 1970s. Mr. Deputy Speaker, of that \$90 billion, \$17 billion was accrued in 1979 alone.

This budget reflects the will of a small population to invest massively in its future, not only by ensuring that the benefits of our resources stay home, not just by daring to take

the chance to invest in our province by building a \$7.1 million ethanol plant, not just by providing new grant programs for our urban transit, but by investing in people.

The government of Allan Blakeney is investing massively in the future of our province. With confidence in our ability to fulfill that future and a basic confidence in the people who live here, this government contrasts sharply with the federal Liberal government — a government which has spent the past year, in particular, trying to buy back the past.

If I could describe the provisions in this budget and how they contrast with federal Liberal and Conservative lack of initiative, the most startling way I can think of would be the constitutional impasse we have reached in our country. We, on this side of the House are fully aware that it isn't a constitution which will build our country, it is strong, thriving economy with an industrial strategy which will build our country. It is not a constitution forced upon Canadians which will unite our country, but a one-sided, branch-plant economy which will divide our country.

The Conservative Party is angry, and that makes me sad. The federal Liberal Party just won't listen to anyone but Trudeau, the oracle of Ottawa, and that's sad. One can only conclude about Conservatives and Liberals what Bernard Shaw stated, "The more things a man is ashamed of, the more respectable he is." And they do have much to be ashamed of, in a social and economic sense, when you consider what this budget holds for the people of Saskatchewan in relation to what the federal Liberal government said in its budget last fall. They have much to be ashamed of when neither party holds any promise for the people of this province or this country after 114 years.

Essentially, Mr. Speaker, the 1981 Saskatchewan budget is a beacon for our province and our country. What it indicates is the clear resolve of this government to create a social and economic climate in which all in our society can flourish and become effective and meaningful in whatever role they play. It makes good economic sense, and it doesn't forget about people. Those are the reasons why I am supporting the budget.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Mr. Deputy Speaker, in rising to participate in this debate on the budget of the province of Saskatchewan, I would like to immediately inform the House that the people of my constituency, the constituency of Kelsey-Tisdale, have been asking me a lot of questions about it. The people to whom I talked in Kelsey-Tisdale are hard-working people. They are people who, like the vast majority of the people of Saskatchewan, are worried about inflation, the mortgage rates, the cost of raising a family, the cost of operating a farm, the cost of living — pocketbook issues.

In Kelsey-Tisdale, people are asking me, "What does the budget do for me? What does the budget do for the average citizen?" I told them, Mr. Deputy Speaker, that the budget reduced the income tax by really 1 per cent and yet at the same time they have imposed a 20 per cent gas tax. Since my election into this Legislative Assembly last November I've come to learn that all too often governments are too concerned with fancy economic theories and statistics. They forget that we are talking about the lives of people, real people, people who must go out and work to make ends meet.

I would like to bring to the attention of the legislature a number of quite serious concerns the people of Kelsey-Tisdale have had about this budget. The late John Diefenbaker once said that a good representative listens to his constituents and that is

what I have done.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Mr. Deputy Speaker, nowhere in the budget did the government address the need of a hospital expansion in Hudson Bay. In my reply to the throne speech on December 4 last year, I raised this matter. At that time I suggested to the House that the hospital in Hudson Bay should be expanded to 35 beds. They told us a few years ago that to get a hospital expanded we would have to improve the medical situation there. That has been done. I think now it is time for the minister to take a serious look at expanding our hospital bed capacity in Hudson Bay to 35 beds.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Mr. Deputy Speaker, residents in the Porcupine Plain area are asking me why there were no provisions to take the highway grid system from Highway No. 3 to No. 23 from Porcupine Plain north to Mistatim. I believe this was promised in a by-election campaign up there by pretty responsible people from the government side. Again it isn't in the budget. Again I bring this matter before you and would ask the minister to take a serious look at putting this section of the highway into the road plan and to start working on it.

The Saskatchewan Transportation Company is there to serve the public and just recently in Hudson Bay we were notified that the STC bus from Hudson Bay to Canora will be discontinued. I believe that STC is there to serve the people and not necessarily to make money. Yet I've advocated for some time there must be a good link, a direct link, to Yorkton. Over the last year \$40,000 of revenue was diverted by way of Regina instead of coming north on the bus that was there, because the bus was too small. Until recently, the roads, I think everybody realizes, were too poor to really provide a good passenger service. Now we have good roads. We need a larger bus on there and we need direct service. I think that would affect more than my constituency. It would affect a lot of people along the way and I urge STC to take a serious look at this.

Mr. Deputy Speaker, nowhere in the budget did I see provisions for better forest fighting protection. Last year we had the worst forest fires in my constituency and the province that we have ever had. This year again we are heading into a drought season and I think everyone here realizes that if we lost forests as we lost last year, it will be a serious loss to the people of the province of Saskatchewan. I urge the minister to take another serious look at putting all the programs possible into place in case of fire this year.

Mr. Deputy Speaker, people in the town of Sylvania, a small town just south of Tisdale, do not have natural gas. I would remind this Assembly that the Progressive Conservative Party has called for implementation of a Saskatchewan rural gas distribution system.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Yet there is no sign of it in the budget. The people of Sylvania are wondering why. Mr. Deputy Speaker, speaking of small communities, I want to remind this House that many people are worried about the future of our small communities. What we need is a rural development program as advocated by our party. This would save the backbone of Saskatchewan, our small communities.

As I mentioned at the outset, inflation is a real concern in Kelsey-Tisdale. The cost of living seriously affects all people: the senior citizens, the farmers, the wage earners, the small business people. Constituents are asking me questions like: Is the government really trying to stop inflation: Why did my SGI rates go up? Why do they keep on raising my telephone bill? Why is my electrical bill so high? Why do I have to pay sales tax on children's clothing and school supplies? These are legitimate questions, Mr. Deputy Speaker. My answer to my constituents is that through lack of direction, the present government has done nothing to help battle inflation. I also tell them that if a program to combat inflation, as promised in the Progressive Conservative blueprint for economic common sense, were brought about, every man, woman and child in this province would benefit.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Positive programs, such as putting a freeze on utility rates, cutting tax by 10 per cent, establishing a senior citizens' tax rebate program and, eventually, eliminating sales tax, are just some of the things we could do to help stop inflation.

Mr. Deputy Speaker, all too often, governments forget that it is the taxpayer who pays for all the programs in the budget. I feel that it is time to get government off the backs of the taxpayers and put a serious effort into fighting inflation.

Mr. Deputy Speaker, I would like, for a few moments, to speak in my capacity as official opposition spokesman for tourism and renewable resources.

Last fall, I said in this House that I felt there must be amendments made to the hunting regulations in Saskatchewan. Illegal hunting must cease. I contend that, in order to have equality, we must have one law for all in Saskatchewan. I am sure most people in this legislature agree with me. I am sure that all hunters and farmers agree with me.

There are no provisions in the budget for a new hatchery at Qu'Appelle. I pointed out, Mr. Deputy Speaker, that there are provisions to renovate the existing one. But tourism is a growing thing in Saskatchewan, and I feel that fishing goes with tourism, that we need to expand our fish production and restock our rivers much more than we will be able to with this small renovation.

It is essential to conservation and the tourist industry that the commitment of the government should be to build a new fish hatchery. I think that, quite a few years ago, that commitment was made, and it still hasn't been followed through.

Mr. Deputy Speaker, I would like to see in the budget a program to assist farmers with waterfowl depredation. Loss of agriculture crops to waterfowl has become significant in Saskatchewan. The farmers are becoming angry about it and I think that now is the time to implement a program which would assist the farmers and protect the wildlife.

The Saskatchewan game bird management objective study contains recommendations, yet there are no provisions for them in the budget.

Mr. Deputy Speaker, these are a few concerns which I have in the areas of tourism and renewal resources. I serve notice that I shall be raising them, along with others,

during the consideration of estimates of the department.

All too often, governments take away freedoms. They do so in the name of progress. I refer to Mrs. Annie Johnson, who lives by Greenwater Park in my constituency. She is a hard-working individual, has been a widow for many years, has raised a family and made a successful living by working her farm. I understand that the government would like her to sell her farm to them in order to expand the park. To do so, they want to close her only roadway access — through the park — forcing this elderly lady to drive an extra 10 miles to get her mail and do her shopping. This lady is a true pioneer, and yet the department is doing nothing to help her. All it wants to do is force her to sell her land.

Mr. Deputy Speaker, this is an example of how the government intervenes in the lives of ordinary people. To state it simply, too much government is not healthy, and freedom must never be threatened by government.

Earlier this week, the finance critic outlined the Conservative blueprint for economic common sense. It is a 31-point program that offers Saskatchewan a positive alternative to the economic policies of the present government. At this point in time, I am convinced that job creation and stopping inflation are the keys to the future of Saskatchewan. I do not intend to go into all of the details of the blueprint, but I do wish to say that this is a program which would help all of the people of Saskatchewan.

Mr. Deputy Speaker, because agriculture is so important to my area, and as Saskatchewan goes, the most important industry, I'd like to say that I join with others on this side in urging the reinstatement of a farm cost reduction program. In fact that program should be increased, not reduced.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — In urging the reinstatement of the farm cost reduction program I also support the construction of more agriculture and food-processing plants. These would help our small communities to survive and we will eventually have a better Saskatchewan.

Mr. Deputy Speaker, in the budget I notice that revenue sharing to rural municipalities has increased 10 per cent, and last year it increased about 6 per cent. As a reeve of Hudson Bay, I can tell this House that rural municipalities' costs have escalated close to 40 per cent over the last two years. The government is asking the rural taxpayer to pick up the extra cost. Mr. Speaker, it is time that this government realized that the people of rural Saskatchewan are the cornerstones of this province, not the stepping stones.

Mr. Deputy Speaker, this afternoon I want to tell you that I cannot in good conscience support the budget before this House. It doesn't answer the needs of the people and, therefore, I shall be voting against it. The people of Saskatchewan deserve better, and can do better, and the Conservative proposals are proof of that.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. McARTHUR: — Mr. Deputy Speaker, it's a pleasure to rise and participate in this budget debate. I want, first of all, to congratulate the Minister of Finance on what I consider to be an excellent budget. This budget and this debate, Mr. Deputy Speaker, will, I believe, be recognized in the future as having historic importance. This is a budget that, most importantly, illustrates the dividends to be had from sound and

effective management of the economy. It also illustrates how such dividends can be applied to the great causes of social and economic equality, and security for family and community life. These are the great causes to which the NDP is dedicated, and to which I believe this budget is truly dedicated.

Last year at this time in Saskatchewan we were in the process of celebrating 75 years as a province, assessing our past achievements, and planning for the future. Mr. Deputy Speaker, the Minister of Finance is to be commended for presenting a budget which confirms that that year of reflection was well spent. This budget is more than a budget, it is a blueprint for the future.

There are programs for all people, programs on all fronts designed to provide Saskatchewan people, young and old, with a full and equal opportunity to enjoy economic and social security and to develop to their fullest potential as individuals living in prosperous communities. The educational and cultural programs which I will discuss here today are further evidence of this.

We in Canada today are embroiled in a constitutional debate that goes to the very heart of what it is that makes this country. And during this debate we in Saskatchewan have been fighting on behalf of our people to ensure that provincial governments continue to be able to provide effective programs for people. This has meant fighting to keep and strengthen our ability to govern our economic affairs in a meaningful way, because we know that from sound economic management, social programs can flow which respond to the needs of the people.

It has been our contention that within a strong Canada, provincial governments must have the capacity to plan and implement economic and social programs which are appropriate to regional needs and to the needs of people as expressed through democratically elected provincial governments.

For proof of that, Mr. Speaker, one only has to look at Saskatchewan's record since 1944 — a record which, except for seven lean and mean and regrettable years during the mid to late 1960s, stands for all the world to see as an example of what can be done. The CCF and NDP governments, which the people of this province elected during these past three-and-a-half decades, have done what is right and what is needed. We have listened to the people of Saskatchewan, we have consulted the people and we have responded with imagination and with progressive programs. We have confronted poverty, discrimination, inequality, and injustice and we have confronted these things in new, daring and often radical ways. Mr. Deputy Speaker, this is not just my opinion. This is a matter of historical record. Rural electrification; medicare; publicly owned automobile insurance; the land bank; free dental care for our young people; programs for native people, senior citizens and the disabled; community colleges; SaskOil; the potash corporation. As the Minister of Finance says, the list goes on and on. All of these are recognized throughout Canada as special, radical, and unique to Saskatchewan.

We have fought the battles that have had to be fought in the name of social justice and the equal worth of all persons. We will continue to fight, because gains made are gains kept only if we keep up the fight.

It is regrettable, but nevertheless true, that right-wing conservative movements and conservative governments throughout North America are today actively attacking the gains made by the poor, the oppressed, the powerless and the forgotten over the years. But, Mr. Deputy Speaker, fortunately in 1978, the people of Saskatchewan, true to their

traditions, said no to all of this. They said, "Don't let them take it away." And that we will not let them do.

Indeed we hope that our record of leadership will find its way to other provinces and to the federal government itself, confirming what can be done and what should be done in the name of humanity and justice. I sincerely believe that we in Saskatchewan have broken much new ground that can help point the way to the rest of Canada. I am proud to be a part of Premier Blakeney's government, helping to further some of the most important matters any government can deal with, namely education and culture.

Mr. Deputy Speaker, it is not just with the content of our policies that we take pride. It is also in the way in which we go about developing and implementing our policies and programs. We do not take the Tory approach and the Ottawa approach of sitting in ivory towers developing unrealistic policies in isolation from the people.

The programs which the Minister of Finance spoke of a few days ago, some of which I will talk about in more detail today as they apply to education and culture, were developed with a co-operative process of consultation with all of those affected. Mr. Deputy Speaker, that is the way an NDP government develops policies and programs that the people want — by listening to the people. That is why they have not and will not support the Tories in this province. The average person in Saskatchewan knows that the Tories opposite will simply take away the gains made by ordinary working men and women in Saskatchewan over the years.

The common everyday working person knows that the Tories won't listen to him or her. Experience shows that Tory governments are too busy talking to the multinational corporations, to the rich, and to the powerful, to really listen to the ordinary citizen.

Let me mention in particular, Mr. Deputy Speaker, children and families. I believe it is our responsibility to see that every child has the fullest opportunity to blossom and grow into a complete and total human being. I believe that this requires concrete and effective action, and that government has a very important role to play. We need not just pious words like ones the Tories try to market, not the empty and pious phrases spouted by the so-called Leader of the Conservative Party, in which he attempts to list God, families and having the NDP under his thumb in some list of priority. No, Mr. Deputy Speaker, we don't treat families in that light fashion, but we believe that we must take effective government action to provide support for the needs of young children and families in our society. This we do, Mr. Deputy Speaker, through health care, through education, through dental care, through youth services that are recognized as being the best in all of Canada, through day care. The list can go on and on.

I want, in particular, to mention the subject of day care. I personally believe that day care is one of the very, very important services that we are able to provide to meet the needs of young people and families in our society today. I want to congratulate the Minister of Social Services for the newly announced program of support and changes in the day care system, which I believe will make the day care system extremely effective in this province.

Mr. Deputy Speaker, our children, our families, our communities in Saskatchewan know that they are well represented by this NDP government, and the policies and programs announced in this budget further confirm that. We in Saskatchewan are building a society which I believe is a model of Canada in terms of quality of life. That society depends highly on the leadership and support provided in the fields of

education and culture. In education, post-secondary education, culture, the arts, recreation, sports, our activities are geared toward preserving the best aspects of our heritage and working to support the improvements in each area which can provide an even better life for those who follow us.

Education, as we are trying to shape it, provides support to help schools become more responsive to the desires and realities of the communities, children and families they serve — schools in which children's individual needs and abilities are taken into account as they are helped to blossom into fully developed young adults able to cope effectively with a rapidly changing world.

We are also further developing our system of post-secondary educational services so that our universities, our technical institutes, our community colleges, offer high-quality programs, programs which help Saskatchewan's youth and adults acquire the skills and knowledge they need in order to gain employment within our developing economy and become full and active participating citizens within our society.

Mr. Deputy Speaker, our actions on the cultural, recreational and sport fronts work to identify and protect the rich features of Saskatchewan's history, while at the same time supporting the artistic and recreational pursuits of today's youths and adults.

I am pleased to say that the programs of the three departments for which I am minister, each attempt to promote the principles which are basic to Saskatchewan's way of life, principles which put children and people first. These principles include: full and universal accessibility, regardless of personal circumstances; the promotion of the idea of the fundamental equality of all people; the maximum flexibility and responsiveness in programs needed to respond to public wishes; recognition of the need for planning to maintain the effectiveness of programs; and promotion of an appreciation of Saskatchewan and Canada's unique and special heritage.

Mr. Deputy Speaker, last year at this time I enumerated these principles in more detail. I am pleased to report to you that I believe they are the driving force behind a number of new educational initiatives and cultural programs which have been undertaken to date. Today, I have the privilege of speaking to this House further about what I might call another generation of programs clearly based on these principles.

In the area of primary and secondary education, my department is taking a number of steps to improve student services generally for all students, as well as specific measures to upgrade programs and services for groups of students who face special hardships and have special needs and considerations which need to be taken into account.

The Department of Education has just published a discussion paper on the needs of schools and students in rural Saskatchewan. With the benefit of the observations laid out in this study, we will be consulting with many groups and individuals in the province in the coming weeks and months (and that consultation has already started), with a view to taking whatever actions are necessary to further support the development of quality education in rural Saskatchewan. This is an important part, Mr. Deputy Speaker, of our government's commitment to maintain the rich social fabric of our rural Saskatchewan society.

In the area of special education, where Saskatchewan has established its position as the leader in Canada, it might be very easy to rest on our laurels. But this government is

not resting while there is still action that can be taken and needs to be taken to improve educational services for those with disabilities. So, during this International Year of the Disabled Person, I am pleased to announce a number of significant new initiatives by the Department of Education in this area: the establishment of a new program for deaf and blind students; a new group home for emotionally disturbed deaf children; a new provincial resource centre for special education materials; a new province-wide speech therapy service; and a new provincial assessment clinic for the hearing impaired.

Mr. Deputy Speaker, last year the department embarked on a new community schools program aimed at addressing the problems and needs of the schools in the cores of our three major cities, many of which have substantial Indian and native population. With the co-operation and involvement of the school boards and teachers in Regina, Saskatoon and Prince Albert, this program is off to a very promising start. This year's budget shows a substantial expansion of this program, I am pleased to say.

The department is also continuing with projects begun last year, including a refinement of the process of curriculum development, a review of the kindergarten through grade 12 social studies curriculum, the development of a teen-age lifestyles curriculum to address the important issues children face in adolescence, and further promotion of the use of French, Ukrainian, German and other languages in classes where numbers warrant.

In the area of post-secondary education, this budget reveals a number of major initiatives intended to help Saskatchewan residents obtain the education they will need in order to benefit from the rapid development of our economy in particular. As my colleague, the Minister of Finance, stated the other day, a highlight of this thrust will be the establishment of a fourth technical institute in this province, to be located at Prince Albert. This new facility, to be operational by 1985, will not only be a centre serving the training needs of residents in the Prince Albert area, but in combination with a decentralized outreach training method that we are developing, it will also serve as the base for technical vocational training throughout north-central Saskatchewan.

Mr. Deputy Speaker, in light of the resource and industrial development we anticipate in the North, I hardly need say how beneficial this major new educational facility will prove to be for the people in the north-central region, as well as in the northern parts of Saskatchewan. The Prince Albert Institute of Applied Arts and Sciences shows that when this party says to the people of Saskatchewan that it is possible to forge a New Decade for Progress under the leadership of Premier Blakeney, we can do it and we are doing it.

Mr. Deputy Speaker, I am also pleased to reiterate what my colleagues, the Minister of Finance and the Minister of Northern Saskatchewan, have already said, to the effect that a third community college will be established in northern Saskatchewan. The new East Side Community College will join with the La Ronge Community College and the West Side Community College in providing Northerners with informal learning experiences and basic educational upgrading. This will bring to 16 the number of colleges in Saskatchewan's unique system of regionally operated community colleges — a system which, since its beginnings in 1973, has proven to be a major success, and for which a great deal of credit must go to the Hon. Mr. MacMurchy.

Mr. Deputy Speaker, the Department of Continuing Education is proceeding with the conversion that began last year of institute-based programs to ones which can be

delivered around the province on a decentralized basis. Involving the transformation of these courses into a format which can be flexible and responsive to individual student progress, this program development activity will involve a major expenditure for the department this year — something in the neighbourhood of \$900,000.

In addition, support for the Saskatchewan Urban Native Teacher Education Program, commonly known as SUNTEP, will increase substantially, adding Prince Albert to this important program. This, together with substantially increased grants for the recently established Gabriel Dumont Institute of Native Studies and Applied Research, will complement the many other aspects of support which this government is providing for native and Indian people.

The department also plans development of five new institute programs. Major expansion of the government's science and technology planning capacity substantially increased contributions to the Saskatchewan student bursary program and to the university sector.

Mr. Deputy Speaker, the Celebrate Saskatchewan program activities made a tremendous impact on our people's views in a number of social areas, but perhaps nowhere was this impact as great as in the whole area of Saskatchewan culture. Appropriately, a major study of cultural policy in this province has been undertaken, and a report was received from the cultural policy secretariat during 1980. With the results of that study being now being now made available to my Department of Culture and Youth, and to the public for a number of months, we recognize general agreement on a few of the recommendations. Therefore, I am pleased to announce today that the department is taking steps during this budget year to implement some of these proposed actions, including a 34 per cent increase in funding to the Saskatchewan Arts Board.

However, in order to gauge the public's reaction to a number of the more sweeping and potentially contentious recommendations of the report, senior officials of the department are just now holding a series of meetings around the province, called the Culture Talks. These meetings are just one more indication of the open and participatory way in which this government develops its policies.

In the meantime, we are taking a number of steps to increase support for cultural activities around the province, including increasing support for Saskatchewan's 180 community-based museums, more resources for the conservation activities associated with implementation of the new heritage property legislation, increased grants for the provincial libraries system, and a number of improvements to services at our provincial parks.

Mr. Speaker, I am pleased that this budget contains funding for one of the main projects to emerge from the Celebrate Saskatchewan festivities, the new Saskatchewan Archives Building, to be located in Regina.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. McARTHUR: — Mr. Speaker, these are some of the highlights of actions that will be undertaken in association with the Department of Education, Continuing Education and Culture and Youth this year. It is my belief that these are not merely superficial things, but are fundamental changes in the way we approach education and cultural development in the province. They are initiatives which, together, can mean a major improvement in the quality of life in our province. They offer the people of

Saskatchewan the chance to more fully experience the joys of learning and of artistic and recreational pursuits, and, at the same time, the chance, through improved training, to gain rewarding employment in prospering communities around our province.

Mr. Deputy Speaker, I want to take a few minutes to expand a little bit on two or three of the major items which we will be addressing during the coming year, in the areas of education, cultural, artistic and recreational development. First, I want to make further reference to programs to meet the needs of those with disabilities and special gifts.

As you know, this is the International Year of the Disabled. I indicated in my comments that, as part of that, we are addressing the needs of the disabled in a very substantive way in this year's budget.

AN HON. MEMBER: — The only ones we have ignored are the opposition.

HON. MR. McARTHUR: — Yes, quite appropriately. They can't help themselves, but they'll have to try. I should say, Mr. Deputy Speaker, that Saskatchewan is recognized throughout Canada as having the leadership role in terms of providing educational services for those with disabilities. I look across Canada and see all the Tory governments that the Tory members opposite speak about so proudly, and I ask myself, how many of those Tory governments in 1972, 1973, 1974 or 1975, established the right of children with disabilities to receive an education in their school system? Can you guess what the answer is? The answer is none — zero. No Tory government in Canada did that.

But what happened in Saskatchewan? The NDP government in Saskatchewan established that young people with disabilities (and the hon. member opposite knows this very well), have the right, in our province, to a quality education appropriate to their needs and abilities.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. McARTHUR: — I noted with interest a couple of things, Mr. Deputy Speaker. Somebody was telling me, the other day, that in Alberta there was a great deal of concern, because their human rights commission (of all things) recently ordered that the school system should provide young people with disabilities with the right to an education within the school system. I understand that the Government of Alberta did not know whether it should support that view or not.

I look to Ontario, where only just in the last few months have they passed legislation, that we have had for seven or eight years, establishing the right of young children with disabilities to an education. Why did that happen, Mr. Deputy Speaker? Because in Ontario they had a minority government, and the NDP opposition insisted that that kind of legislation should be brought forward.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. McARTHUR: — Here in Saskatchewan, we have had established this kind of approach to meeting the needs of these very important young people in our school system. I also indicated to you that, while we have done much and have come a long way, there is more we want to do. I want to comment a little further on some of the things we will be doing in that regard.

I mentioned to you that we will be establishing a new provincial assessment clinic for the hearing impaired in this province. That will be established at the School for the Deaf in Saskatoon, and it will provide an opportunity for young people and even others with hearing impairments (and I'm sure the members of the opposition will all be lining up to take advantage of the services).

This will be located at the School for the Deaf, and will provide recommendations to parents, as well as to teachers and other educational officials, on the appropriate programming that should be developed to meet the needs of the students.

In addition to this, and something which I think is extremely important, we will be developing a province-wide speech therapy program, something we have needed for some time. We will be able to offer consultative services on a regional basis to meet the crucial needs of young people in our school systems, and the teachers who are trying to deal with young people with speech impediments and problems, and to provide help and assistance to those young people.

We will be establishing, in association with the School for the Deaf, a group home, which will be there to provide living facilities for young people with hearing impairments, who also suffer emotional problems and emotional difficulties. This will be something that will permit us to better meet the needs of emotionally disturbed, hearing impaired children.

In addition to that, there are other facilities and services that we will be adding to the School for the Deaf to meet the needs of the hearing impaired.

Mr. Deputy Speaker, I also indicate to you that we will be continuing to add to, and expand, the programs that we now offer in the inner core of our urban areas to meet the community needs in terms of educational needs and particularly the needs of the native students living in those areas.

I am pleased to announce that there will be four more community schools established this year in the urban centres to further develop this particular program. This program, as you know, not only provides additional teaching resources to the school through the provision of native teaching associates, it also provides for a community worker to work at developing a closer relationship between school and community. It also provides for the establishment of school councils that work with the community — all of people in the community, and all of the parents in the community — to develop a closer working relationship between school and community. It also provides the opportunity for the development and adaptation of curriculum and programs in the school, so that the school program can be better geared, and better developed, to meet the needs of that community and to those students in that community.

I recently visited some of these schools, during education week, which have the community schools program, and I must say that I am very impressed with the way that program is developing. I am very optimistic that it will go a long way to providing improved educational opportunities for the young people living in those communities.

I also want to mention to you some of the things we are doing with respect to curriculum development. I mentioned this very briefly in my earlier remarks.

We are currently undertaking some redevelopment of the provincial curriculum, both with respect to the school system and also with respect to the technical and vocational programs that we offer in the province. The basic theme of these changes in the curriculum is to recognize that with changing times and with a better understanding of how young people and children learn, that there are things we can do to change and adapt our approach to learning, to school, and to curriculum.

With respect to the school system (the kindergarten to grade 12 system), I recently announced that we would be establishing a steering committee that will involve teachers, school administrators, professionals in the field of curriculum development, as well as others, to oversee the development of this project, hopefully, with a view that within a year we will have a general framework to guide the curriculum development process in the future. It is not my intent that this review should necessarily change the basic process, if you like, of curriculum development, in that we have established a system here of partnership between, essentially, the professionals in the Department of Education, and practising teachers, a system that I think works well.

But we do need to ask ourselves questions about how we should approach the overall structure of the curriculum, what the general scope of the curriculum should be, what the philosophical base of the provincial curriculum should be, and what kind of changes we should make to the overall program itself.

I think that when we ask ourselves questions with respect to the base of the curriculum, we do have to recognize that there is rapidly changing knowledge in many fields today. We have to ask ourselves the question of whether or not we can emphasize to a greater degree the questions of literacy as a way of knowing as opposed to the detailed content that is now contained in much curriculum. That is a question that teachers are asking all across the province, that school boards are asking all across the province. There is generally . . . (inaudible interjection) . . . Educational philosophy, naturally. Basic questions of that . . . (inaudible interjection) . . . The members opposite cannot think in terms of educational philosophy because, I suppose, they don't know how to think in terms of educational philosophy.

The fact of the matter is, Mr. Deputy Speaker, that notwithstanding their problems, it is our responsibility within the Department of Education (regardless of what the hon. members are capable of) to ask questions about the basic philosophy of the curriculum. I am proud of the fact that the Department of Education in Saskatchewan does ask such questions. In addition, when it comes to the technical and vocational aspects, we have some major redevelopments in curriculum taking place. Again, they apply basically to the approach to teaching, the approach to programming and, if you like, the educational philosophy with respect to those programs. We are developing programs that start from an educational philosophy point of view which assumes that we should try with our curriculum to be more responsive to the differences in individual students — the differences in abilities, the differences in aptitudes, the difference in interests. As well, when you are dealing with the post-secondary system, we must be more responsive to the differences in starting points of young people with respect to their knowledge and the development of their understanding of the subject. As a result of that, we are experimenting with new systems and looking at the question of more individualized, self-paced learning approaches that we believe will provide more open accessibility to the post-secondary technical and vocational system. They will also provide improved opportunities for young people of various backgrounds.

I might also mention, Mr. Deputy Speaker, that we have just completed a discussion

paper on rural education which is now being discussed around the province with teachers, trustees, parents and other interested parties. This is a development that I am most excited about. As you know, over the past few years we have been developing the rural education programs with respect to community colleges and now, more recently, with respect to providing technical and vocational education in rural areas through a decentralized approach. We are now pursuing the question of looking at the needs of our rural school system, recognizing that with declining enrolments and smaller family size, there are many relatively small schools in rural Saskatchewan which have special needs in terms of programming, and special considerations need to be taken into account as we develop not only our school finance system, but also as we develop the school programs that will be available to those schools.

Well, Mr. Deputy Speaker, I have already referred to the fact that with respect to culture and recreational programs we have a number of things happening. The culture talks are underway at the present time and I would hope that in the not too distant future we will be able to draw some conclusions with respect to the recommendations of the cultural policy secretariat. But this we do not want to do until we have given everyone interested in this subject, a full and complete hearing in response to those most important proposals.

I hope also during this coming year, Mr. Deputy Speaker, to announce some initiatives that will be taking place within the Department of Culture and Youth with respect to sport and recreation programs in the province. There is one subject I want to mention just very briefly and that is something that concerns me a great deal. The federal government has recently indicated that it intends to withdraw from the field of what is known as EPF (established programs financing) transfers to the provinces in support of health and educational programs. The federal government has indicated that there will likely be a very, very substantial cuts in this area of programming. They have also indicated that it is their preference that the place that this should impact upon within the provinces is the post-secondary educational system. Indeed, they have gone so far as to suggest that they believe that the provinces should transfer a good deal of this reduction onto the university system.

Mr. Deputy Speaker, it is my belief that if that were to happen it would have a devastating impact on the universities across Canada. The federal government have suggested that they intend to compensate for some of this by providing . . . (inaudible interjection) . . . Yes, and that was your problem, I think, for many years there, Mr. Member . . . (inaudible interjection) . . . But it wasn't my problem. It was yours but not mine.

Mr. Deputy Speaker, the problem with all of this is that the federal government is also proposing to provide direct support to individual students through various financial means, through which they will be able to purchase spaces in universities to pursue particular areas of study which the federal government considers important. What, essentially, they are proposing is the introduction of the voucher system for university education in the province, which many good Tories support.

I want to say that it is my view that if this voucher system of financial support for universities, which the federal government is proposing, comes into place, it will virtually destroy the university system as we know it in Canada today. I hope that all members in this House will join with me and with members on this side in the coming months as we oppose that. I hope the hon. members on the opposite side will also join with us to oppose those moves on the part of the federal government which I consider

will be very, very serious, indeed.

Mr. Deputy Speaker, my time is very limited today and I do want to mention some other very important areas of activity.

Mr. Deputy Speaker, for all students in Saskatchewan, all parents, all teachers, all school officials and others, we are increasing very substantially our support for the school system across the board. This government is proud of what we consider to be the finest school system in Canada. This year we are showing our support by increasing operating funds for schools by nearly 12 per cent per pupil to \$260 million. The total budget for the Department of Education will increase by over 13 per cent, including a provision of somewhat over \$48 million for teacher superannuation.

Recognizing that facilities must be remodelled and kept up-to-date and redeveloped in order to properly support our programs, we are increasing the capital construction budget for the school system by 19 per cent to \$10.5 million, providing for more than 50 capital projects, including additions and renovations to schools, as well as construction of new schools.

Mr. Deputy Speaker, in both these areas (school operating and capital construction grants) this government is continuing to provide a high level of service to the people while, at the same time, through efficient management, hoping to keep costs at reasonable levels.

For instance, I should point out that in the area of operating grants our government now provides more than 70 per cent of the total cost of running our schools. Through largely unconditional grants to school boards and property tax rebates to the public, we support an education system which has a great degree of local autonomy and yet one which is not a burden on local taxpayers. Evidence that we are meeting the needs and wishes of the public in this area is the fact that our foundation grants formula is almost universally supported as a fair and just system of calculating operating grants. It meets the needs of society as a whole. It ensures, through a number of built-in factors, that those boards which are most needy receive a larger measure of support; that nowhere in Saskatchewan is the quality of the educational program allowed to suffer unduly because of a lack of local resources; and that a number of special considerations, such as decreasing enrolments, sparsity of population, and pupil transportation costs are taken into account.

Mr. Deputy Speaker, another important area of programming for my departments has to do with supporting the rich multicultural heritage of this province. In education, we are continuing and improving our abilities to support French-language education throughout Saskatchewan, where numbers warrant. We are developing curriculum to support the use of other minority languages, such as Ukrainian and German, in schools located in communities which have large minority-language populations.

Mr. Deputy Speaker, I consider these moves essential if we are to provide our young people with a school program which is responsive to rapidly changing social and economic conditions.

Mr. Deputy Speaker, we support our institutions of continuing education in Saskatchewan. I have already spoken at some length about the technical vocational area, but we also recognize the very real needs of the university sector for financial support and other support during what appear to be difficult times because of the

proposed federal changes in financing. Therefore, I am pleased to confirm that we will provide an increase to the operating grant for Saskatchewan's universities this year, at a figure of 12 per cent, to a total of nearly \$101 million, an increase which will translate into the universities' budgets as a figure of approximately 13 per cent.

We are continuing and expanding our ambitious program of university capital construction this year, by providing a total of \$16.3 million, which will go toward general improvement of capital facilities, including a continuation of the expansion of the veterinary college and the engineering building at the University of Saskatchewan. This year there is also the announcement of a new project at the University of Saskatchewan: a new geological sciences building.

Mr. Deputy Speaker, this budget also contains financial support, at a very generous level, for the operations of our unique system of regionally operated community colleges. This year the level of support will amount to approximately \$6 million, an increase of 10 per cent over last year.

We are also funding a new initiative aimed at developing a science and technology framework for policy for the province in recognition of the importance of this field of activity. Already, the Department of Agriculture and others are taking important initiatives in this area.

We also recognize the real needs of students in terms of financial assistance. This year there will be a substantial increase in student bursaries, with the student bursary program being increased by 19 per cent.

Mr. Deputy Speaker, those are just some of the things I have been able to cover in this time which, I think, are important in relation to the budget and the plans we have for this coming year.

I close off by saying, Mr. Deputy Speaker, that I believe the programs in the Department of Education, the Department of Continuing Education and the Department of Culture and Youth, confirm that this is, indeed, a historical and important budget, and that much of what will be happening this year will have very, very lasting effects on the welfare and lives of the people of Saskatchewan.

I will be supporting this budget. I certainly will not be supporting the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — Mr. Deputy Speaker, it is indeed a pleasure to take part in this budget debate. I did notice some of the comments by the Minister of Education, and I will be reserving most of my comments in reply to him until I've had a chance to go through the things he was mentioning today. However, I would have to mention a few of the things I found rather interesting.

As the minister was speaking, I think he said, "We in the NDP and this side of the House put people and children first." That was the comment he made. I wonder if he has ever read this rather interesting book called *Prairie Capitalism* by one Mr. John Richards, who, I think, would not really share the same opinion as the Minister of Education. I think it would be very interesting if you fellows looked into that. He mentioned the new course on teen-age lifestyles; I think that is one which we are going to have to take a

pretty careful look at. I will be very interested in seeing what they will come forward with as a curriculum for teen-age lifestyles.

The other rather amazing and interesting comments he made was that there are no 16 autonomous community colleges in the province. My question is: is it 16, 15 or 15 and one-half? I'm not quite sure, but to say that there are 16 autonomous ones, in view of what's been happening at Mistikwa, is rather exaggerating the point.

However, Mr. Deputy Speaker, it is with great pride that I stand on this side of the House to enter into this debate, especially in this session, because since I have been in this legislature, each year we get raked over the coals by the Attorney General on the performance of the opposition.

Well, I think and I will be honest, that many of us who came in here in 1978 are just starting into this forum. But I think the boys and lady on this side are beginning to graduate. I stand proud, as the House Leader of the opposition, of the actions of my colleagues, of their debate on this budget and of their continued questions in question period. I think today was a fine example of their work.

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — I'm proud to be representing them in this debate.

When we're discussing this budget (if that's what you can call it) . . . Last year I remember the Hon. Minister of Finance standing up and talking about a balanced budget. I was quite impressed to hear him say this but it was with dismay that I saw, as the year wore on, and as we come closer to the end of the fiscal year, in talking to people in the various departments, that actually, in many cases, departments of this government are broke and that we had to go to get another \$60 million from the heritage fund. So to me, really, is it a balanced budget, or is it really just the same thing as last year, kind of a buzz word, so that when it comes down to balancing the books, they aren't really balanced?

Yesterday I saw the Minister of Highways hand out his project array, and right within there he estimates what will be done, but then again you look at the next column and it says what may spill over into 1981-82. Now if that is the basis upon which the government opposite operates then it's quite easy to say that you have a balanced budget because you've got a balanced budget and then a bunch of little spill-overs. To me that isn't a balanced budget. That certainly isn't a balancing of the books.

As I've been going out into the areas of Saskatchewan (as we all have been), people have been saying to me, "Well Graham, this balanced budget, is it an election budget?" and I say, "I have no idea if it's an election budget or not, but I'm not worried if it is." It looks to be kind of a band-aid treatment on every little segment of the society to try to pacify them. And rightly you should be, because I can tell you what I see from this side of the House is that the ship of the NDP government opposite is being tossed and torn and thrown about on the constitutional waves that are growing throughout this country. I sit here with interest and look across at the Premier and the Deputy Premier whenever they are together — and that's very seldom. I sense between those two fellows a lack of co-operation. The Premier in this session has been frowning more than I've ever seen him frown since they came into the legislature. He seems a worried man, and there's very little discussion between the Deputy Premier and the Premier.

AN HON. MEMBER: — He knows he has problems with his cabinet, and he looks at the backbenchers and knows the problems are even greater.

MR. TAYLOR: — Well, the problems are throughout there. The problems are throughout that side of the House opposite. You like to stand up and tell us how we're operating. Today I'm going to tell you how I see you fellows operating. And I'm very worried for you, I tell you. I see why the Minister of Finance has come with his budget that touches a little bit here and there and so on. He's trying to patch her over to make her look good, because within, you people are fractured and cracked and there's a division within the house of the party opposite.

Let's get a few examples. The poor, old Attorney General here is the mop-up man for the government opposite within this sessions so far. I questioned the Minister of Continuing Education. I questioned him about Mistikwa College. He said, "Well, we've got to see what the Attorney General and the RCMP are doing in there." Today we questioned the minister responsible for SGI. He says, "Well, the Attorney General . . ." You always have to get the poor, old Attorney General to bail you out. I felt sorry for that man yesterday, because I stood up in this House and I asked the Attorney General, "Do you approve of the burning of the American flag?" And I looked in that man's eyes and I could tell you he didn't approve of that. But because of certain elements within his own party, he had to skate around the issue because of support for the communists in El Salvador, and that's not what he believes in at all. That's what's wrecking your party opposite. Those are the cracks that are there.

It's further than just the Premier and the Attorney General. The member for Regina Rosemont rose the other night. He has been passed over for cabinet; many of the boys have been passed over for cabinet, and they are feeling it. Those are the cracks and the splinters that are there. What does he come forward with, Mr. Deputy Speaker? The member for Regina Rosemont comes forward with the Conservative platform on level 3 care. We've been calling for board and room, and now he is. I say congratulations to that member. He is seeing the light.

And then we look again at this fellow back there, the fellow with the curly hair, the member for Saskatoon Eastview. The member for Saskatchewan Eastview gets up and becomes a farming critic. I think the Minister of Agriculture is not doing a bad job, but obviously the member for Saskatoon Eastview thinks he's better. He doesn't even believe the finance minister, because the finance minister says in the budget (I agree with you, Mr. Minister):

Mr. Speaker, the Canadian Wheat Board assures us that Canada will be able to market 30 million tonnes of prairie grain by 1985. We must also ensure that our farmers can produce the grain that the Canadian Wheat Board has said it can sell.

The member for Saskatoon Eastview gets up and says, "I don't know if we should produce the 50 million bushels; I am doubtful." He doesn't think we should. I want to take that to the farmers . . . (inaudible interjection) . . . Saskatoon-Sutherland. Is that where he is from?

Then he goes on to say, "If we do, the only way we can do it is with bigger farms." There is another good one to take to the farmers. I don't think that fellow is espousing the philosophy of your party, and I wonder about the member for Regina Rosemont. Which one is telling it right? These are the problems that are over there.

I think it all comes back to problems such as this in your party. I feel sorry for a fellow like you (I think you are a pro-Westerner, as I am) when you hear your leaders saying, "I will fight with every weapon I can," and the strongest weapon he has used is a fly swatter.

No wonder you're divided; no wonder you're concerned on that side. It is because of the waffling position of the fly swatter Premier. If that's a weapon, I'd like to see what his real bullets look like.

I think I have given you my analysis of your situation quite plainly. I would now like to take a look at the budget that is before us today — the "2 percent budget," as we have come to call it on this side of the House. I know the minister of funny figures over there says it's a 4 per cent or 2 points. I don't know, 2 per cent sounds pretty good to me. That's what everybody in Saskatchewan is calling it, so we'll call it the 2 per cent budget.

What does the 2 per cent budget do to solve the major problem that faces every person in this province? It does nothing to come to grips with that problem of inflation. Inflation is the main problem out there. This budget still extracts 70 per cent of its revenue from the hip pockets of the taxpayers of this province, regardless of their ability to pay 70 per cent.

The people are asking, "What has this budget really done for me? What has it done to curb inflation? Why are my taxes so high in this province? Have the taxes been lowered? What about my power bills?"

I received a phone call today from a fellow who has a small grocery store down in southeast Saskatchewan. His power bill was \$331 per month. What have you done to help anybody with a power bill? Go out to the local church halls or skating rinks, and ask the people in the small towns if they think the power bills for halls, which they use about once a month, are fair. They will tell you definitely no. Families and communities are being gouged because of these exorbitant power rates. Small businesses are certainly an example of this.

What about the gasoline tax in this province? My colleague from Qu'Appelle laid out an example during question period the other day of what I think is a shameful situation. You can go downtown in Toronto today and buy gasoline cheaper (and Ontario is not an oil-producing province) than you can here in Saskatchewan. If you go to Alberta and fill up the same car, it's a different thing altogether.

These are some of the issues that touch the hip pockets of the people of Saskatchewan. These are the things that they want to see addressed by a government in power. We, as the Progressive Conservatives, will be addressing these issues after the next election as the government of this province.

You must be embarrassed to sit on that side of the House and realize that 15 per cent of the people in this province live below the poverty line. This is 3 percentage points above the national average. Of these, 37.2 per cent are the unattached. Let's take a look at who are the unattached. The unattached are often the senior citizens. They are the widows and the widowers — the people who built the country. They are the young girls who, unfortunately, are single parents. Those are the unattached. Over one-third of them in this province are living below the poverty line, and I say that is a shameful situation.

Now we look at the situation in this province which is still an agriculture-based province. I think this government did very little in the budget to handle or to deal with the problems of inflation. But what did you do for the farmer? I heard this 37 per cent for the farmer, but what did it do for that farmer's pocketbook today — the farmer who may be going broke? You took off the farm fuel rebate — one of the things he could see there immediately. Did you put anything into real growth? Anyone walking out there in this province can see, last year and again this year, that we have the soil, we have the sun, but we have no assurance that we are going to have the necessary rainfall. Why would you not look at that situation and heed the warning from the people in the areas, and go for something in the way of irrigation which has a tremendous multiplier in the agriculture sector? No, nothing for irrigation.

And what about the loss of our cattle? I'm not going to go through the statistics. My colleague, our finance critic, showed that the number of cattle in this province has been dropping dramatically; the number of hogs has been dropping dramatically. The Minister of Agriculture jumps in with a stabilization program. Well, I'll tell you, you came in with a hog marketing board and a SHARP, and the number of pigs in Saskatchewan has continued to decline. Within my own neighborhood, I can take you to four large hog enterprises all within walking distance that have closed since the NDP government came into power in this province. And you say you are doing something to stimulate the agriculture economy!

I want to turn now, Mr. Deputy Speaker, to something that means a great deal to me, and that is the concept of the family, and what this government is doing to aid and to keep together the cornerstones of our society. When the family structure becomes weak, then there is always more government involvement in our lives — most definitely. If you have a weakened family structure in your society, the result is more government intervention in the lives of the people. There, the priority of a government should be to maintain a strong family unit.

Mr. Deputy Speaker, I'm deeply concerned about the impact of the economic policies this government is having upon the families of Saskatchewan. Unemployment, on one hand, forces people onto the welfare rolls. Inflation picks from everyone's pocket — you pocket, my pocket and everyone's pocket. And yet we hear the socialist members sing the praises of their wonderful record, when we see that the basic unit of our society, the family, is in trouble. Are you proud of the number of people who are living below the poverty line in this province? I ask each of you that. Are you proud of that statistic? Are you proud of the towns in your ridings that are literally dying, when you come in and say, "We're for rural revitalization"? You all can point to towns that are dying in your constituency.

I don't think this budget really addresses the problems of rural Saskatchewan or of agriculture. It most certainly did not address the problems of inflation. There is nothing in here such as a senior citizen's rebate. What is there to help many people own their own homes? I hear something about 100 farm homes — a mere pittance! Not even two per constituency.

Did you remove the sales tax on anything which would help a family? Did you remove it on the textbooks or on the school clothes? No way! Not at all.

Did you reduce the income tax? A pittance. What about the utilities — the famous NDP way of gouging the money out of the people via their Crown corporations in the public utility section?

We should take a look at the women in the work force because I didn't see a great deal in there. I saw something in the way of day care, which I suppose, could be said to help ladies. But if you look at the local papers it definitely was not what the people were wanting. It wasn't enough. I've seen nothing but people saying, "Well, it only went part of the way. We were so far behind that this is a bit of an injection, but it didn't go all the way." You know, for the ladies in our society, we have to have more than just laws in the law books. We must ensure that women are hired, paid and promoted on the basis of fairness and equality. One of the ladies in this society who fits back into the concept the family is the housewife or the homemaker. The homemaker in Saskatchewan is still the foundation of the structure of our society. A Conservative government would take action to help protect homemakers from economic deprivation.

Mr. Deputy Speaker, I would now like to turn to the needs of the youth in Saskatchewan because they have always been a real concern to me and to my colleagues from Meadow Lake. We have devoted our lives to teaching school. Our young citizens are one of our most precious resources. It is a sad commentary when we see the large number of young people who cannot find jobs in Saskatchewan. They're all told — oh yes, they're told! — we are a have province. No wonder young people are cynical of government. We should make major investments in programs for youth and not more gold-plated windows. Young people deserve every right to take whatever talent they have and to develop it. Unfulfilled dreams and crushed hopes take a heavy toll in our province. Just take a look at the alarming suicide rate among our young people in Saskatchewan. Mr. Deputy Speaker, the young people of Saskatchewan could, and can, count on a Conservative government to bring about a new Saskatchewan — a Saskatchewan designed for their way of life, along with the new technologies which will give them a rightful part in our way of life.

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — Within that new Saskatchewan, we have to be leaders in energy production because I think we all know the important of energy to our modern technological way of life. We, on this side of the House, advocate such measures as incentives to encourage exploration and development of marginal oil wells. We support the construction of a heavy oil upgrading facility at Lloydminster. You know, I wonder where the economic sense is on that side of the House when we all realize that oil is the key to our economic future and you have not taken real, positive steps to build an upgrader which would bring heavy oil into demand and would do a lot to build the rural west side of Saskatchewan. I fail to see your rationale.

Also, on the matter of energy, I have people in my own constituency saying, "Graham, I live one-half mile from the major gas lines between town A and town B. Can I get hooked up for rural gasification for my seed-cleaning plant, my hog enterprise or whatever I may want to go into?" I say, "We'll look into it." The cost is approximately \$8,000 to hook them up — a prohibitive cost! There is that resource. I think you people on the other side of the House have stated that we should be looking at greater use of natural gas. Well, then, for goodness sake, if that's what you believe in, put in a policy which will let these fellows hook up to it so they can take benefit of this resource.

Mr. Deputy Speaker, we in Saskatchewan can, and must, control our energy destiny. It is one of the greatest challenges which we face as a problem. I believe that the people of Saskatchewan want to build a secure energy future, but that at present they are not

being given the leadership to bring it about.

Mr. Deputy Speaker, earlier I stated that a Conservative government would encourage energy conservation. Extravagant energy consumption and energy waste are not inalienable rights. We in Saskatchewan must come to realize that while we are in possession of immense energy wealth we must use common sense in its development.

Our people in Saskatchewan have proven through depression, drought, and doubt, that they will respond to challenges. Mr. Deputy Speaker, an even greater challenge to the people of Saskatchewan is protecting our resources from that vulture, Pierre Elliott Trudeau. Since 1968, the people of the West have been subjected to embarrassment and humiliation from the insults and indifference of one Mr. Trudeau. I serve notice that we will not tolerate further actions that humiliate the people of western Canada. We will not surrender or capitulate to the nation-wrecking tactics of Trudeau.

Mr. Deputy Speaker, Saskatchewan and the West deserve a better deal from confederation. To date, we have not had it. It is no longer a matter of Ottawa-bashing, or of recognizing there is a sense of alienation in the West. People are expecting more. They want a tough and a firm stand against Pierre Elliott Trudeau. They want leadership that will not back down. Western Canada was developed because of the true pioneer spirit of your ancestors and mine. We in the West want nothing to do with the immorality, greed, and selfishness that exists in places like Toronto and Montreal.

Mr. Deputy Speaker, a spirit of determined pride is building here in western Canada. I serve notice that the people of this province will no longer put up with those who play footsie, or take part in pillow talk, with Pierre Elliott Trudeau.

Mr. Deputy Speaker, I stand for a strong West. The Progressive Conservative blueprint for economic common sense is part of building that strong West. Saskatchewan can be a great part of that strong West. I am reminded of the words of William Jennings Bryan, who said, and I quote:

Destiny is not a matter of chance; it is not a matter of choice. Destiny is not a thing to be waited for; it is a thing to be achieved.

A Conservative government will give Saskatchewan its rightful destiny.

Mr. Deputy Speaker, I cannot support the motion. I'll be supporting the amendment.

INTRODUCTION OF BILLS

Bill No. 39 — A Bill to amend The Department of Intergovernmental Affairs Act

HON. MR. MacMURCHY: — Mr. Deputy Speaker, on behalf of the hon. minister, I move that a bill to amend the Department of Intergovernmental Affairs Act be now introduced and read a first time.

Motion agreed to and ordered to be read a second time at the next sitting.

The Assembly recessed until 7 p.m.