

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**March 18, 1982**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**QUESTIONS**

**Home-owner Mortgage Assistance**

**MR. LANE:** — In the absence of the Attorney General I would like to direct a question to the Premier. Prior to Christmas the government introduced the home-owners' protection bill. I will wait for the Attorney General to take his seat. I will just preface my question by referring to your remarks in the debate on *The Home Owners' Protection Act* of last fall and I am sure that those words are firmly fixed in your memory.

In that particular debate (and I am quoting from *Hansard*, if I may, Mr. Speaker) in regard to the Conservatives' proposal that mortgage assistance be given to the homeowners of Saskatchewan, you in fact said that that was wrong. Your argument was:

Oh, they'll say we should be providing protection and support for the home-owners by giving money, direct subsidies, to the home-owners so that money can go, at 18 per cent, 19 per cent, 20 per cent, 21 per cent interest rates to the charter banks and lending institutions of this country. That's their proposal. That's exactly what they want. They want the province of Saskatchewan to subsidize, out of taxpayers' money, so that the profits of the charter banks in this country can be, as the Minister of Urban Affairs says, even fatter than they are.

Do you still stand by that statement of government policy that there should be no payments to the home-owners for mortgage assistance because they will go to the charter banks and lending institutions of this country?

**HON. MR. ROMANOW:** — Well, Mr. Speaker, indeed those remarks are emblazoned on my mind as the hon. member for Qu'Appelle says. I am also reminded very much of the Conservative position in opposition to *The Home Owners' Protection Act* for those two or three days until they got a sniff of the public mood whereupon they immediately changed their tone. But more specifically speaking to the question the hon. member asks, which is whether or not I still oppose the profiteering of the banks and a scheme which would assist the profiteering of the banks, the answer is simply put: yes, I do.

Any kind of a program of assistance to banks or to home-owners with respect to interest rates and mortgages has to take into account two principles - assistance to home-owners and making sure that there is not such a program in place which would allow for unconscionable profiteering by the banks. I think later today the Minister of Finance may have something to say about that.

**MR. LANE:** — I am sure that the memory of the Attorney General is fading and fading rather rapidly. You were a little more precise than that, Mr. Attorney General. Again, I am sure I can repeat these words over and over and over again. It would probably serve

you well to read them. But you very much opposed (throughout your speeches on different occasions) any form of assistance that would in fact go through the home-owners to the banks and lending institutions. Do you still subscribe to that definitive statement of government policy that there should not be a mortgage assistance program of any kind that will go through the home-owner to the banks and lending institutions of this country?

**HON. MR. ROMANOW:** — Well, Mr. Speaker, I think I have given my answer in response to the first question. I believe that any kind of scheme which is open-ended, any kind of scheme which would allow a straight pass through of any kind of interest subsidy program which in the end result redounds to the banks, is one which has to be looked at very carefully. I think a proposal which achieves two objectives - gives assistance to home-owners and at the same time puts a ceiling or some form of limitation on it, (the details of which I think, as I say again without making any further statements on this, will be talked about by my colleague, the Minister of Finance), is an entirely different operation. That is the essence of the remarks that I was trying to make in my support for *The Home Owners' Protection Act* of a few months ago.

**MR. LANE:** — Supplementary to the Attorney General. You also had other statements in the same debate. Where does that money go? You were referring to the Conservative proposal to assist the home-owners with financial assistance from the heritage fund if necessary. Where does that money go? If it stopped with the home-owner, I could buy that. I could benefit by that. But it doesn't stop with the home-owner. Where does it go? It goes right to Mr. Robertson - referring to Mr. Boyd Robertson of the Royal Bank - and the chartered banks of this country. You were very much opposed at that time to any type of financial assistance that in any way went to the banks and the financial institutions. Do you still subscribe to that position, or what has changed since Christmas?

**HON. MR. ROMANOW:** — Well, Mr. Speaker, let me first of all make one point about the so-called Conservative plan. The Conservative plan has never been articulated at any stage in the game in detail. And the hon. members opposite laugh, but they know that to be the truth. They never will be detailed; they don't detail any plan, let alone the home-owner mortgage subsidy scheme, whatsoever. But if they do, they hint at a totally open-ended scheme where public funds would go directly to their banking friends. That's the scheme that I opposed; that's it exactly. And the hon. member laughs. I invite the member . . . (inaudible interjection) . . . I know it's in the budget, but I invite the hon. member to stand up and ask me another question, and in prefacing the question tell me where in that debate of three months ago he supposedly did not indicate in his support of the plan this kind of a subsidy scheme directly to the banks, to which I was opposed. He did; that's exactly what he wants to do and of course that's why their candidates are reflecting the character that they are running in this kind of approach.

### **Rural Gas Distribution**

**MR. GARNER:** — Mr. Speaker, my question is addressed to the Premier. Mr. Premier, many times in the past four years in this Legislative Assembly members of your government have stated their opposition to a rural gas distribution system for all of rural Saskatchewan. Are you willing today to change that position, to change that government policy, so that all people - farmers, businessmen - in rural Saskatchewan can have a more economical fuel to use to heat their homes?

**HON. MR. BLAKENEY:** — Mr. Speaker, the government will have some statements of

policy with respect to the expense of natural gas services. The hon. member will only have to wait a very short time and the Minister of Finance will be addressing some remarks to that particular concern.

**SOME HON. MEMBERS:** Hear, hear!

**MR. GARNER:** — A supplementary, Mr. Speaker. Mr. Premier, the reason I ask this question is because you stated on November 28, 1980:

It is unlikely that provisions of natural gas to farmers would in any way relieve their financial squeeze.

Now can you not today give us a definite position from your government? Are you going to do a flip-flop on the rural gas distribution system today? In these tough economic times the people of Saskatchewan deserve it. Can you please specify the policy of the Government of Saskatchewan? It is very unclear whether you're for or against. Which side of the rural gas distribution debate are you on?

**HON. MR. BLAKENEY:** — Mr. Speaker, I think that the hon. member is becoming impatient. It is clear that the policy of the expansion of natural gas is one which does not admit a policy which says, "All farms will be covered, or all people will be covered. Yes, we guarantee natural gas to every citizen in the province." The answer: if that is the policy enunciated by the hon. member for Wilkie, our policy is not that. There will be, however, proposals for expanding the existing system which has developed since 1955 and the particular parameters of the expansion will be announced in due course by my colleague, the Minister of Finance, and by my colleague, the minister in charge of the Saskatchewan Power Corporation.

### Utility Rates

**MR. THATCHER:** — Question to the Premier. Mr. Premier, since 1978, Progressive Conservative members have asked you repeatedly whether you would freeze power rates. The response of the government, and your response, has always been to raise them. As a matter of fact, I think you've raised them about 200 per cent since 1978. Mr. Premier, would you be prepared, right now, to make a definitive statement that your government is finally prepared to do what the PCs have been urging you to do since I can remember, and that is freeze Sask Power electrical rates?

**HON. MR. BLAKENEY:** — Mr. Speaker, I'm always amused about the policies of the Progressive Conservative Party when it is in opposition. It has a good number of governments all across Canada where it has an opportunity to show what its policy is with respect to electrical rates . . . (inaudible interjection) . . . Well, we may see whether or not you have an opportunity to show your chances. The member for Qu'Appelle was a member of a party, a very active member of a party which once had the government in this province. I don't recall any policy along that line at that time.

I think once again that the hon. member for Thunder Creek will, I know, be interested in the statements made by my colleague, the Minister of Finance, and he, too, will have to wait and with each question the period of the wait becomes less.

**MR. THATCHER:** — Supplementary question to the Premier. Another thing that we have been calling for on this side of the Assembly, almost weekly since 1978, is a public utility review commission, in other words something that would make these Crown

corporations accountable, something that would investigate Sask Power or a public utility before it could go ahead and make its rate increases. Mr. Premier, are you prepared to announce today that action will be taken to investigate past and future rate increases of Crown corporations? Are you prepared to state it today?

**HON. MR. BLAKENEY:** — Mr. Speaker, the hon. member is now putting forward a different policy from the one he put forward at the previous session. The previous session was one calling for a public utilities commission to regulate electrical rates, such as they have in Alberta, which has had the outstanding success of regulating electrical rates to the extent that they are significantly higher than they are in Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — May I assure the hon. member we have no such intention of putting into place a public utilities review commission which will permit rates which are permitted to the private utilities in Alberta by the Progressive Conservative government of that province.

We are, however, considering some of the points of view put forward by groups such as the Consumers' Association of Canada. Once again we will have an opportunity to discuss this further in the debate which is going to start at 2:30.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Mr. Premier, do you stand by your previous statements (on a variety of occasions) that a public utilities review commission would be unacceptable - a public utilities review commission which would be accountable to this legislature? Or, would your government be crass enough to appoint a one—man commission headed by a former chief justice of the province of Saskatchewan, who would only be accountable to the NDP?

**HON. MR. BLAKENEY:** — Mr. Speaker, may I say to the hon. member that we have no present intention of appointing a public utilities commission in the foreseeable future.

### **Use of Purple Gas in Tandem Axle Trucks**

**MR. SWAN:** — My question is to the Minister of Revenue, Supply and Services. About a year ago a letter from your office went to one of my constituents. It was regarding the use of purple gas in tandem axle trucks. In your reply you stated that it was not in the interests of the trucking industry, that it would cause a need to put restrictions on farmers and the use of farm trucks, and that it would also very seriously affect the revenue which the government would receive from the sale of gasoline. Do you still stand by that policy today?

**HON. MR. ROBBINS:** — Mr. Speaker, I think the hon. member will have to wait for the budget address.

**MR. SWAN:** — Mr. Minister, it's your letter and I'm asking you questions about it. I just asked you, do you still stand by that policy? I don't think that requires the budget; that requires an answer.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. ROBBINS:** — Mr. Speaker, obviously circumstances change from time to time.

### **Public Utilities Review Commission**

**MR. LANE:** — A question to the minister responsible for consumer affairs. You have indicated on numerous occasions that you are unalterably opposed to a public utilities review commission and that such a commission is not necessary in the province of Saskatchewan because the Crown corporations were supplying public utilities at the lowest possible cost. Do you stand by that statement and is that still government policy?

**HON. MR. KOSKIE:** — I think I stand by that statement in the sense that I believe the Crown corporations of this province have been providing to the people of Saskatchewan outstanding service.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. KOSKIE:** — I believe that the opinion of the people of Saskatchewan will support the operations of these Crown corporations and the benefits that they have provided throughout the years.

I want to say that I have been in communication with the Consumers' Association of Canada (Saskatchewan branch). We have had a good discussion. I want to say that, in my view, their position on the establishment of a utility review board has in fact changed. They are not in fact advocating that Tory position.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANE:** — In 1979 the consumers' association in Saskatchewan called for a public utilities review commission in the province of Saskatchewan. Would you mind indicating to me how their position has changed from 1979? Would you mind explaining (you didn't answer my previous question) what caused the Government of Saskatchewan to change its position of being unalterably opposed to a public utilities review commission and now saying that you support it.

**HON. MR. KOSKIE:** — First of all, you are drawing conclusions on behalf of the Government of Saskatchewan which are not in fact true statements of our position. I want to say that you could best ask the Consumers' Association of Canada regarding their position in 1979 as opposed to 1981.

I would remind you that I attended a convention in Prince Albert and clearly their position is not the Tory position of establishing a utility review board. I think that if you would keep in contact with the association you would be aware of that position.

### **Private Ownership of Telephones**

**MR. GARNER:** — Mr. Speaker, a question to the Minister of Telephones. Mr. Minister, I have a news clipping here dated March, 1982.

"Manitobans to Plug In." The Manitoba government will allow private citizens to buy telephones and attach them to the Manitoba Telephone

System's network, Communications Minister Len Evans said Friday. Evans's statement in the legislature recognized what already is an established practice. Telephones are sold throughout Manitoba, and with the plug-in jacks used by provincially-owned MTS private phones are easy to attach. Opposition communications critic, Don Orchard, also noted that the former Conservative government had included in Bill 107 in 1980 a clause to legalize private phones.

Mr. Minister, can you stand in this Assembly today and inform the people of Saskatchewan if you will back off from your takeover in telecommunications Bill 13 and allow the people of Saskatchewan to buy their own telephones?

**HON. MR. CODY:** — Yes, Mr. Speaker, I certainly can advise the public of Saskatchewan what our position is. Our position is very clear and hasn't changed. We do not intend to allow the sale of telephones to the public. We believe that the best possible way to run a utility such as Sask Tel is a rental situation. Incidentally, for the member's information, that may well be the fact in Manitoba but the bill was put in place by the Tory government and also the policy was put in place by a Tory government. We can also go to another Tory government in this country. If you want to look at a public utilities board, Mr. Speaker, I can tell you that in Alberta they just had a hearing recently and the public utilities board in that province turned down completely the ownership of telephones in that province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. GARNER:** — Supplementary, Mr. Speaker. Mr. Minister, in your last annual report you turned a profit in excess of \$24 million with retained earnings of \$145 million besides giving a \$14 million dividend to Crown investments. Can you now guarantee to the people of Saskatchewan today that we will have a freeze on utility rates and especially on telephone rates in the upcoming year?

**HON. MR. CODY:** — Mr. Speaker, I think it would be foolish for me to stand here today and say that we're going to have a telephone rate freeze. I think that would be the most foolish thing any man could ever do, and there's just no question about that. After all, if I were to say we are going to freeze the rates today, I would also be saying that we are going to reduce the revenues to Sask Tel, and at the same time the services. We are putting in place in this province one of the best telecommunication services in this country. You can ask anybody in the TransCanada Telephone System (TCTS) and he will tell you that Sask Tel is number one with regard to the service in this province.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. CODY:** — And, Mr. Speaker, I think it would be foolish for me to say that we will freeze the rates, reduce the revenue, and reduce the service in this province; I don't think that's what the people of this province want.

### **Freeze on SGI Rates**

**MR. LANE:** — Question to the minister responsible for Saskatchewan Government Insurance. Would the minister responsible for Saskatchewan Government Insurance be prepared to stand up in this Assembly today and indicate that there will be a freeze on SGI rates for at least one year in the province of Saskatchewan, so that the public of Saskatchewan is not forced into the position of having to pay for major new capital

investments, such as gold-plated headquarters, Reinsurance Management, and boon doggles in Ireland, Saudi Arabia, or wherever? Will such a freeze be announced immediately so that the people of Saskatchewan will have some assurance that they will not be faced with high government insurance rates?

**HON. MR. ROBBINS:** — Mr. Speaker, we have already announced a 7.16 per cent increase on the average in the AAI (automobile accident insurance) rates for the current year. That compares to the 21 per cent increase in Alberta on a higher base. The member makes reference to gold-plated buildings. I would tell him that I would much prefer to have the head office of the insurance company in this province rather than down East.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. ROBBINS:** — Incidentally, Mr. Speaker, he should be aware of the fact that because we took action two years ago we are in a much better position than the rest of the insurance industry, which suffered a \$1 billion underwriting loss in 1981.

**MR. LANE:** — I suppose one could respond and ask the minister why, if he is so concerned about an insurance business in the province of Saskatchewan, he would want to go into the life insurance business and put Pioneer and other local Saskatchewan life insurance companies out of business? That's the policy of the government opposite. I ask the minister again: you have refused to give an unequivocal statement that there will be no freeze on SGI rates in the province of Saskatchewan for another year - why will you not in fact make such a commitment, given the assurance that you have just made that in fact you have things under control and that you no longer need these rate increases?

**HON. MR. ROBBINS:** — Mr. Speaker, it is crystal clear that there will be no changes in the AAI rates. That's what we are discussing. Those rates will hold for a year. The results are good. We made \$10,931,000 last year, and the fact remains that there will be no change in the automobile accident insurance rates at least until next January.

### **Shortage of Nursing Home Beds**

**MR. BIRKBECK:** — A question to the Minister of Social Services. Since 1975, the Progressive Conservative opposition has made repeated demands of the Minister of Social Services, and I would refer, Mr. Speaker, the Assembly to a motion moved by me and seconded by the member for Rosetown-Elrose, wherein we asked that this Assembly condemn the failure of the NDP government to provide adequate nursing home facilities to the seniors of Saskatchewan, and that's only the first part of the motion.

Mr. Minister, in light of the fact that in Regina alone at one nursing home we have over 800 on a waiting list, and this year alone you have denied Moosomin and Whitewood and Wawota in my own riding access to new beds, would you be prepared, Mr. Minister, to stand in this House and indicate to this Assembly today that you can make available more than 133 new beds in the upcoming year for nursing homes?

**HON. MR. LINGENFELTER:** — Mr. Speaker, I would like to reply to the member's statement that the Saskatchewan government is not committed to the seniors of this province. I think if you talk to any of the senior groups around the province you'll find quite a different comment coming forward. I think if the fact is that Whitewood and

Moosomin are not getting nursing home beds, maybe it has something to do with the representation from that area. I can tell you that in other areas of the province, representative in Indian Head-Wolseley, representative in Wilkie, there are nursing home beds being constructed. But seriously, Mr. Speaker, we do have a nursing home construction program in the province which includes places like Norquay, Invermay, Broadview, Wilkie, and a number of other ones, Kamsack for example. These are where new beds are being constructed.

I can tell you, Mr. Speaker, and the members opposite, that this government is the government in Canada most committed to the needs of senior citizens, and we intend to continue to be and to upgrade nursing home beds in the province.

### **Energy Agreement**

**MR. ANDREW:** — A question to the Premier. For some time, Mr. Premier, I have been indicating to you that the recent energy agreement entered into between you and Mr. Trudeau is not in fact working. The southwest field in Saskatchewan is shut down; there is very little activity in the northwest field; the southeastern oil field is not moving ahead very much after that energy agreement.

I wonder, Mr. Premier, if you would be prepared to take our advice from this side of the House and go down to Ottawa and open negotiations on that energy agreement so that we can get the oil industry in this province to create the jobs and the revenue so desperately needed in this province today?

**HON. MR. BLAKENEY:** — Mr. Speaker, I share with the hon. member his concern about the health of the oil industry in Saskatchewan. I think there is no evidence that the difficulties in southwestern Saskatchewan in any way relate to the energy agreement signed by the Government of Canada and the Government of Saskatchewan. Certainly the same difficulties are being experienced with the same type of crude in the Bow Valley area of Alberta, and I take it he would not lay that at the door of the energy agreement signed by the Government of Alberta and the Government of Canada. I think there are real difficulties with the oil industry in British Columbia, and I take it he doesn't lay that at the door of the oil agreement between the Government of British Columbia and the Government of Canada.

The facts are that these difficulties are being experienced because of a substantial decrease in consumption throughout the world, and accordingly a substantial glut of oil currently on the market. No one of those circumstances is attributable in any way to agreements between the Government of Canada and any one of the producing provinces. The circumstances are quite extraneous to the oil agreements, and accordingly any renegotiation of the oil agreements is not going to address the problem created by that particular oil surplus in the world.

**MR. ANDREW:** — Supplementary to the Premier. Are you then telling the Assembly that you will stand by your statement that the energy agreement entered into between you and Mr. Trudeau is, in fact, a good energy agreement for the producers and the people of the province of Saskatchewan and that there is no need for changes in that agreement?

**HON. MR. BLAKENEY:** — Mr. Speaker, obviously, I would like changes within the agreement. Very obviously, the agreement does not say what I would like it to say. I am

equally sure that it doesn't say what the Government of Canada would like it to say.

**AN HON. MEMBER:** — Why did you sign it?

**HON. MR. BLAKENEY:** — The hon. member asks, "Why does one sign it?" I don't know how many times he has bought a house or a car, but if he always paid the price he wanted to pay I would be remarkably surprised. I always want to buy something cheaper than somebody is prepared to sell it to me. I am never thoroughly happy. But I find it's the best deal I can make. I think the oil agreement which we made was the best deal we could make. The Government of Alberta reached the same conclusion; the Government of British Columbia reached the same conclusion. I noted that when the oil agreement was made known - I believe tabled in this House, but certainly made public - no comments came from across the floor that they would not have signed that agreement. They are getting 'too late smart' on this one. I think their disenchantment with the oil agreement stems solely from the fact that a world surplus has intervened and the world surplus has created problems, none of which are attributable to the oil agreement. Obviously, I would like an agreement which gives us more money. I don't see any prospect of getting it by negotiation. I don't see any prospect of Alberta getting it by negotiation - or B.C. We made our deal. The Government of Canada similarly, I am sure, wished it had a different deal. It was as good as we could do, and as good, I submit, as anyone in this House could do. If you have advice, you might try giving it to your colleagues in Alberta.

**SOME HON. MEMBERS:** Hear, hear!

## **ORDERS OF THE DAY**

### **TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES**

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, I have a message from His Honor the Lieutenant-Governor.

**MR. SPEAKER:** — Order, order!

The Lieutenant-Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1983, and supplementary estimates of certain sums required for the service of the province for 12 months ending March 31, 1982, and recommends the same to the Legislative Assembly.

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, I would like to move, seconded by my colleague, Mr. Robbins, the hon. member for Saskatoon Nutana:

That His Honor's message, the estimates and supplementary estimates be referred to the committee of finance.

Motion agreed to.

## **GOVERNMENT ORDERS**

### **MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)**

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, I have the honor of presenting the 11th budget of this New Democratic government.

I would like to begin this afternoon, Mr. Speaker, by congratulating the many towns and cities, the villages and hamlets in Saskatchewan which reach their 100th anniversary this year. Communities like Indian Head, Moose Jaw and Swift Current all were settled 100 years ago with the coming of the railroad. The arrival of the railroad was the event which sparked our beginnings and today, 100 years later, our farms and our communities, our economy and our whole social fabric are still vitally dependent on this lifeline.

Since that beginning, we have seen our towns and cities grow and prosper. We have seen the construction of new community facilities, new hospitals, nursing homes, schools, university buildings. We have seen new services provided for the elderly, for the disadvantaged and for the disabled and, best of all, we have seen new opportunities emerge for our young people. We stand now on the edge of fresh opportunities and great new challenges. We have to meet those with a vision.

I believe that the people of this province have a vision and this vision is shared by their government. This vision is not centered on acquiring great wealth; it is not centered on material success alone. No, it is something more. Our grandparents had their vision when they first came to Saskatchewan. They set out to build a society based on co-operation in which young and old alike can grow together, share together and succeed together. Material success, yes, but with a purpose - a shared purpose. And I believe this vision can be summed up by saying that people come first. People come first - not interest rates, not foreign exchange rates, not profits - but people. People come first. And I believe, Mr. Speaker, that the actions of our government reflect this vision.

In 1971, faced with a declining population and a stagnant economy, the people of Saskatchewan elected a New Democratic government led by Allan Blakeney. And that choice has paid off. It has paid off with the highest economic growth of any province in 1981. It has paid off with fewer people unemployed than almost anywhere else in this country. It has paid off in lower taxes for Saskatchewan people. It has paid off with free dental care for children and the finest array of health and social and education programs in Canada. We in Saskatchewan now control our own destiny to a greater degree than anyone thought possible 11 years ago, and we face a future that is second to none.

But that future, Mr. Speaker, is threatened by policies made in Ottawa. Young families are threatened with losing their homes because mortgage rates are pushing 20 per cent. Pensioners are struggling to live on fixed incomes while inflation soars. Small businesses face bankruptcy because of high interest rates and Saskatchewan farmers are told they must give up their statutory right to the crowrate. Mr. Speaker, the people of Saskatchewan need action. They deserve action and we are ready to act.

With the package of proposals in this budget, Mr. Speaker, this government will act. We will act to protect our people, to build our economy and to keep Saskatchewan moving ahead.

For several years this government has been critical of the economic policies of the current federal administration and its short-lived predecessor. I regret to say that high interest rates, high inflation and high unemployment are now the hallmarks of federal economic policy. High and erratic interest rates are ravaging the Canadian economy.

Home-owners, farmers and business people face astronomic increases in their interest payments. The national economy is mired in its second recession in as many years, and more than one million Canadians are unemployed.

Why has Canada been forced into a recession? Because Ottawa believes that high interest rates are the only way to reduce inflation. Mr. Speaker, we don't accept that and neither do the people of Canada. High interest rates do not stop inflation. They do not solve the problem, they are part of the problem. Yet Ottawa has fought inflation with high interest rates for six years, and with what result? Mr. Speaker, the rate of inflation in Canada in 1981 stood at its highest level in 33 years.

Now, at the first ministers' conference on the economy in February, the Government of Saskatchewan outlined a sensible economic policy for Canadians. We said that we should reclaim control of our economic policies and have a "made in Canada" interest rate policy. We called for lower and stable interest rates and, if necessary, acceptance of the lower Canadian dollar. We called for government to take the lead in creating a capital investment pool to create jobs and start building for our own future, and we outlined a road out of the recession that would lead to renewed economic growth. Our advice was rejected, and the high interest rates and the recession continue.

Mr. Speaker, that policy was wrong. We cannot cure our economic ills by piling them on the backs of the poor and the weak and the unemployed. We reject that approach.

We must also contend with a federal government which has abandoned the co-operative approach to federalism and has decided to go it alone. Its new stance, unfortunately, is confrontation.

The constitutional and the energy pricing disputes have been resolved, but at what cost, Mr. Speaker? At what cost to the spirit, to the conventions, to the economy of this country? The constitutional dispute was resolved only after the supreme court forced Ottawa to accept the federal reality of our nation, a concept of Canada which was so effectively advocated by our Premier, Allan Blakeney. The energy dispute was resolved only after the national energy program severely disrupted the oil and gas industry and seriously delayed the achievement of energy security for Canadians.

The long list of heavy-handed actions is still growing with unilateral cutbacks in funds for health care, for post-secondary education and for equalization. Federal cash transfers to all provinces for these essential programs will increase by less than 1 per cent in 1982. These cutbacks will undermine the standards of the national health care system that this province and our CCF-NDP governments fought so hard to establish.

The latest federal action, the latest threat is indirectly at the heart of Saskatchewan's economy, and I'm speaking of the federal government's attempt to abandon the crowrate.

Saskatchewan farmers have always faced the rule of uncertainty - weather, pests, prices, international markets, production costs, transportation problems all beyond their control. The single benefit which they could count on year after year was the freight rate for the movement of their grain. The rate, the crowrate, has been guaranteed in law. Now that security could disappear if Ottawa is allowed to have its way.

I tell you, Mr. Speaker, the well-being of Saskatchewan people is threatened on a

number of fronts, but fortunately this government is in the position to help Saskatchewan people weather those problems. In the 1970s this government had the courage to fight for a fair share of resource revenues for the people of this province. Our resource policies now generate revenues of over \$1 billion a year - revenues that give us the flexibility to protect people caught in the web of high interest rates and high inflation. Saskatchewan's economy continues to be strong.

Our economic growth in 1981 was 8 per cent - far greater than any other province's and nearly three times the rate of growth of the national economy.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — The 1981 crop was excellent. Our construction investment led the nation - up 35 per cent. Our manufacturing shipments were up more than 18 per cent - second only to Alberta. Nine thousand new jobs were created.

In 1982, economic growth in Saskatchewan will again outpace the Canadian economy as a whole. Through the 1980s and beyond, the Saskatchewan economy will hold its place as one of the fastest growing in Canada. Yet, Mr. Speaker, as solid as our prospects are, we are not an island. We are part of our national economy. Saskatchewan people could be as exposed and vulnerable as all other Canadians if this government failed to act. But we will act, Mr. Speaker.

This budget employs our hard-earned resource revenues to protect Saskatchewan people exposed to record inflation and record high interest rates, to create jobs for young people, to invest in Saskatchewan's economic future, and to keep Saskatchewan moving ahead. This is our commitment and that is the heart of this budget.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Economic prosperity is important, not for its own sake but for the quality of life that it brings. I am proud to note that 1982 marks the 20th anniversary of the introduction of medicare and the 35th anniversary of fully insured hospital services in Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Since the introduction of these programs we have gone on to build a wide range of health care services, which include the children's dental plan, the drug plan, the hearing aid plan, and the aid to independent living program. Saskatchewan stands high in North America for its record of comprehensive, high quality health care which is accessible to everyone.

Mr. Speaker, even though federal funding will be slashed, the Government of Saskatchewan will maintain and extend our leadership in health care. It gives me great pleasure to announce that our budget provides over \$700 million for health care - nearly 22 per cent more than last year.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — This is proof of our commitment to the health care needs of Saskatchewan today, but we also look to the future. We must seek to spend our health care dollars more effectively by maintaining good health and preventing illness.

In 1982, we will spend over \$50 million for prevention, including 23 per cent more for the Saskatchewan Alcoholism Commission and 100 per cent more for speech therapy services. The children's dental plan has always emphasized preventative health care and provided quality treatment. This has produced a dramatic improvement in the dental health of Saskatchewan children, resulting in less dental work per child and lower costs.

Mr. Speaker, I am pleased to announce that in 1982 the children's dental plan will extend its coverage to include children from ages 4 to 16.

The largest portion of health care funds goes to meet the operating and capital needs of our 133 hospitals. Mr. Speaker, some of our other provinces are cutting back hospital services (and members opposite will know very well about those provinces), but not in Saskatchewan. In January we responded to the impact of higher inflation by providing an additional \$5 million to Saskatchewan hospitals for the current fiscal year. For 1982, Mr. Speaker, I am pleased to announce that we will increase the operating grant to the Saskatchewan Hospital Services Plan by 20 per cent over last year's budget to a total of \$338 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — These funds will enable hospitals to maintain their current level of service. They will also provide for new and expanded programs, such as \$1 million for the expanded care of premature infants in Regina and Saskatoon, \$500,000 for added cardiac services and increases in open-heart surgery in Regina, and \$1 million for the operating costs of the Pasqua Hospital expansion, which will open this spring.

Mr. Speaker, the member for Qu'Appelle will know very well that not so long ago there was a government in this province which started closing hospitals. In 1971 we stopped those closures, and we started improving our hospitals, including the smaller ones. In the past 10 years we have spent \$144 million on hospital construction. We have completely rebuilt 11 hospitals and extensively renovated 39 others. This budget contains funds to start the rebuilding of another four hospitals and major renovations to six more outside Regina and Saskatoon.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — In this coming year we will provide over \$33 million for hospital construction programs. This includes \$6 million for construction and renovation projects in communities such as Lloydminster, Yorkton, Cutknife, Melfort, Nipawin, Maidstone, Indian Head and Davidson; \$21 million, Mr. Speaker, for construction work at the Pasqua and General hospitals in Regina; and \$6 million from the heritage fund for the ongoing renovation at University Hospital in Saskatoon.

Mr. Speaker, I am pleased to announce that we will increase substantially the provincial share of capital costs for our community and regional hospitals. We will also increase our contribution toward the capital cost of planned redevelopment at St. Paul's and City hospitals in Saskatoon. These changes will provide for better community facilities and will help keep local property taxes down.

Mr. Speaker, there is no health problem which causes more anguish and anxiety than

cancer. Last year, I was pleased to announce a large increase in funding for the Saskatchewan Cancer Foundation. The foundation offers a wide range of services to Saskatchewan people and directs important research and monitoring activities. For 1982 we will increase our grant to the foundation by 18 per cent to \$12 million, including \$200,000 for the operating costs of a new patient lodge in Saskatoon.

Mr. Speaker, there are those in Canada and elsewhere who believe that the fight against inflation can only be won at the expense of the sick and the poor and the elderly. President Reagan, so admired by those members opposite has slashed health and welfare spending to provide tax cuts to the wealthy. We on this side reject that view.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — This government will maintain the standard of social services that is needed in Saskatchewan today. This applies most of all to the people who built the foundation of Saskatchewan's prosperity, our senior citizens.

We moved in recent years to provide an alternative to institutional care for senior citizens through the home care program. Home care is one of the most exciting new social programs in North America today. Home care works through the community. It promotes the independence of senior citizens by giving them the support they need so that they can live in their own homes, near to their families, and lead the most active lives possible. We will spend close to \$17 million on home care in 1982 - 52 per cent more than the amount budgeted last year.

Less than a year ago, the Government of Saskatchewan unveiled a new program to assist the 7,000 residents of nursing homes in our province. Prior to that, senior citizens in level 3 care had been paying an average of over \$750 per month. Under this new program we have lowered the maximum charge for residents to \$390 a month.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — As a result of that change we will increase our expenditures in 1982 to \$109 million - 43 per cent more than last year's budget. This government also takes pride in the fact that Saskatchewan has the highest number of nursing home beds per capita in Canada. I am pleased to announce that in 1982 we will provide funds to build over 100 new nursing home beds.

These are some of the ways in which we will help meet the special needs of senior citizens in the next fiscal year. In a few moments I will be announcing more.

But first I'd like to turn to some measures to help Saskatchewan families. In Saskatchewan today there are families who need high quality, affordable day care. I am pleased to announce, Mr. Speaker, that in 1982 we will increase our funding for day care to nearly \$9 million and this means large subsidies to more families and 400 more day care spaces.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — We will also provide an additional \$3 million in financial support for voluntary and non-governmental organizations which provide so many services throughout Saskatchewan. These organizations include the family service bureaus, the Big Brothers, Big Sisters, and senior citizens activity centres. They and

many others help make our province an even better place in which to live.

Mr. Speaker, this government's high level of financial support is proof of our commitment to the education system. We provide over 70 per cent of the operating costs of primary and secondary schools through operating grants and property tax rebates. In 1982 we will increase the level of school operating grants by 15 per cent per student.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Nearly \$300 million, Mr. Speaker, to help keep school taxes down. I'd like to remind members of this Assembly that special financial provisions are made for our smaller rural communities to provide a level of education comparable to that available in larger urban centres. For the past two years we have provided a special grant to help small rural high schools stay viable. I am pleased to report that this program has been a success and we will extend the small schools grant to include grades 7 to 12.

I am also pleased to announce that we will increase our capital grants for schools by over 25 per cent to a total of \$13 million. This will provide funds for over 60 construction projects such as classroom renovations, additions, and new gymnasiums - the majority of these in the rural areas.

In Saskatchewan we are blessed with a unique multicultural heritage. During Celebrate Saskatchewan in 1980 we gained new insights into the rich, cultural diversity of our province. In 1982, we will continue that process of cultural discovery. Mr. Speaker, I am pleased to announce the following measures: a 35 per cent increase for the arts board, which will bring the two-year increase to over 80 per cent; a 68 per cent increase for provincial cultural organizations to enable them to strengthen their contribution to the cultural life of the province; and a major increase for our museums.

Over the last five years we have helped build over 1,800 facilities in 686 communities through the recreational and cultural facilities capital grant program. Today I am delighted to announce that we will establish a new five-year capital grants program. This new capital grants program will provide \$43 million for the construction of community facilities throughout Saskatchewan. Of this total, approximately \$10 million will be earmarked for cultural facilities.

Mr. Speaker, in the last 10 years this government has developed a superb park system. Some members opposite don't like the idea, but we think it's the way to go. I am pleased to announce that we will launch a five-year program for the expansion and the upgrading of our provincial park facilities. A major goal of this program is to broaden year-round recreation opportunities for Saskatchewan residents. This year we will provide \$3 million for the first phase of the Cypress Hills resort and over \$1 million for construction at Echo Valley Provincial Park. These developments are part of an \$11.5 million capital budget which also includes projects at Blackstrap, Buffalo Pound and Good Spirit Lake. Mr. Speaker, better parks mean more tourist dollars spent in Saskatchewan and more jobs for Saskatchewan people.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, Saskatchewan working men and women enjoy the benefits of some of the finest labor legislation in North America today whether it be in labor management relations, labor standards, or health and safety. This budget provides an increase of more than 25 per cent for the Department of Labor's pioneering work in occupational health and safety.

I am also pleased to announce that we will put in place a provincial building code that will improve access for disabled people to public buildings.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — And, Mr. Speaker, we will increase certain benefits under The Workers' Compensation Act including pensions for the surviving families of victims of industrial accidents. For spouses and children receiving the minimum pension the increase will be over 25 per cent or \$150 more per month.

Saskatchewan's urban communities have seen many positive changes in the last decade; new urban parks, downtown revitalization, new community facilities, better streets and street lighting, new health care facilities, improved water supplies and new housing. Let me point out some of the changes which have taken place since 1971 in the financing of urban municipal services and capital projects.

In 1971, 49 per cent of total operating revenue for urban municipalities came from property taxes. In 1979, largely because of revenue sharing, only 37 per cent came from property taxes.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — On the capital side, total municipal debenture debt in 1979 stood at \$127 million - \$10 million less than it was in 1971.

This is dramatic evidence of the performance of this government in providing urban municipalities with a secure and a growing revenue base to reduce their dependence on property taxation.

Now, Mr. Speaker, the escalator for the revenue sharing pool in 1982 is 8.3 per cent. During the past year, local government organizations have asked the provincial government to modify the revenue-sharing escalator to account for the province's change to the value-based gas tax in 1980. Now though the planned review of the revenue-sharing arrangement is not scheduled until 1984, we are willing to open up the program for review this year, and in advance of these negotiations and subject to their successful completion, I am pleased to advise municipal governments that we will make an interim adjustment for 1982. This adjustment will provide municipalities and their ratepayers with additional assistance now to help keep their mill rates down. And in recognition of this adjustment we have provided not 8.3 per cent but an 11.5 per cent increase for revenue sharing in 1982.

The special adjustment revenue-sharing payments to local governments and taxpayers will increase to \$102 million - \$60 million for urban and \$42 million for rural municipalities.

The Government of Saskatchewan also provides considerable support to urban

municipal governments for capital construction. In 1982 we will increase our funding by 36 per cent to \$57 million, and this includes \$18 million for the community capital fund.

Mr. Speaker, downtown revitalization is a great success story. The Cornwall Centre in Regina and the Weyburn Square are providing new life to the downtown areas of these cities. This is just the beginning. We look forward to the continued progress of other downtown revitalization projects in Prince Albert and in Saskatoon and in other cities. These announcements are a clear demonstration of our commitment to the autonomy of local governments. In total we are increasing our support to local urban governments in 1982 by 19 per cent to almost \$200 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, I have announced substantial increases for health and for education, for social services and for culture and recreation. I have announced new measures to provide support to urban municipal governments and the very important services that they provide.

We will not, as some Conservative governments have done in the face of troubled economic times, cut back on those services which nourish the young and comfort the old, which protect the disadvantaged, and which enhance our ability to live full lives. On the contrary, Mr. Speaker, we will maintain and expand those services, and the proof is in this budget.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Now, Mr. Speaker, the most important industry in Saskatchewan today, and for the future, is agriculture. The Conservative leader has said that our farmers are inefficient and that 80 per cent of our family farms must go. That's nonsense, Mr. Speaker. That's nonsense. Saskatchewan farmers are among the most productive and efficient in the world. They work hard, and they work together, and they adapt and change when change is for the good. But Saskatchewan farmers will never permit their industry to be crushed and recycled by outside forces. I am referring, of course, to the federal government's proposed plan to scrap the crowrate.

Mr. Speaker, the crowrate is more than a transportation subsidy. It is more than a bargain between the CPR and the people of Canada. It is a statutory protection for a way of life. It is part of the bargain of confederation.

Mr. Speaker, the crowrate secures in law two fundamental principles for farmers: a fixed rate for the movement of grain and equal rates for equal distance. A fixed rate for the movement of grain is important because it offers prairie farmers their only guarantee of stable input costs. Farmers are subject to tough economic conditions. They use Canadian goods and services to help produce their products - goods and services which they buy at Canadian prices, prices which are often inflated by high tariff barriers. But at the same time they sell their products in the highly competitive international market where prices may bear little relationship to our cost of production. As I said, Mr. Speaker, the crow offers the one guarantee for farmers of stable input costs. Now the federal government has threatened to remove that guarantee.

Mr. Speaker, the principle of equal rates for equal distance is also vital because it

means that the railways cannot set their own rates. But what if they could? What if they could set the rates as they saw fit? Rates would go up more for some lines than for others. The railways would charge higher rates for branch lines or delivery points that they wished to abandon. So the railways would then decide which branch lines would stay and which would go. They would decide which communities would live and which would die. Make no mistake, our prairie communities are threatened, Mr. Speaker. We know that the rail system must be upgraded. We know that massive new investment is required. Scrapping the crowrate will not rebuild the railways. Scrapping the crowrate is not the way to go.

The Saskatchewan government proposes that the western provinces join together with the federal government and the railways to make a major capital investment in the railway system. This would be an equity investment, not a public gift. Public investment dollars would ensure a measure of public control, a guarantee of performance. Canada could undertake the massive rebuilding and expansion of the railways that has been delayed so long. In this spirit, the Government Saskatchewan invested \$55 million of heritage fund money in 1,000 new grain hopper cars to help upgrade the rolling stock in our railway system. These hopper cars represent over 1 million tonnes of increased capacity for the Canadian Wheat Board.

Our proposal would remove from the backs of farmers the burden of upgrading the railways. It would preserve for farmers their statutory right to a fixed rate and to equal rates for equal distance and that makes sense, Mr. Speaker.

We're prepared to talk to the federal government, but Ottawa doesn't seem to want to talk. They say there is no reason to discuss the crowrate with the provinces because transportation and freight rates are federal responsibilities. The well-being of farmers and the agricultural industry is a provincial responsibility and that is a responsibility we will not abandon. Mr. Speaker, we don't want to fight. We want a solution that keeps the crow. We want to talk, but if there is no give in Ottawa believe me, Mr. Speaker, this government will fight.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Since 1971 our government has introduced major new programs in agriculture. One of the most important is in agricultural research. In 1981 we launched the \$25 million FarmLab program. I am pleased to announce that 12 regional farm committees have already been established under that FarmLab program. These committees have approved more than 200 research and demonstration projects throughout our province. In the coming year we will spend over \$4 million through FarmLab for research at the university and at demonstration sites throughout rural Saskatchewan.

Mr. Speaker, in the absence of federal action to introduce realistic stabilization programs for beef and hog producers, programs which we believe should be operated at the national level, we will provide over \$10 million for the provincial beef and hog stabilization programs. This includes \$1.5 million for the provincial hog program SHARP (Saskatchewan Hog Assured Returns Program) and almost \$9 million for the first full year of our provincial beef stabilization program. The positive response of beef producers to the introduction of beef stabilization, which members opposite voted again, emphasized the urgency of the problem. A toll of 165,000 head of cattle, equivalent to over 80 per cent of the animals finished in our province in 1981, were enrolled in the program on March 1 of this year.

Mr. Speaker, I want to point out that Saskatchewan has more farmers under the age of 25 than either Manitoba or Alberta. In fact, we have more young farmers in Saskatchewan than do both of those provinces combined. That says something about the future of agriculture in our province, Mr. Speaker, and that says something about this government's commitment to young farmers. This budget reaffirms that commitment. In 1982, to keep pace with the higher cost of farming, we are increasing the loan limits and improving the financial eligibility criteria for FarmStart. The future of our agricultural industry depends upon today's young farmers. This government will do what we can to ensure that they can stay in farming and prosper.

Finally, I'd like to make an important announcement regarding the gasoline and diesel tax paid by farmers. As you know, the fuel used in farm machinery and single-axle farm trucks is already exempt from fuel tax in Saskatchewan. This exemption currently provides nearly \$30 million in benefits each year to Saskatchewan farmers. I am pleased to announce today that effective April 1, we will eliminate the tax on fuel used in tandem-axle farm trucks . . . (inaudible interjections) . . . I note, Mr. Speaker, the way the opposition is applauding that chances are real they may support this budget.

Mr. Speaker, I said earlier that the crowrate is more than a transportation subsidy; it is more than a bargain with the railways. I said it is a statutory protection for a way of life, and that way of life, centered on the family farm and our rural communities, has survived only because the people have fought to keep it. When this NDP government came to power in 1971, rural Saskatchewan and our small towns were in deep trouble. Farmers were selling out; merchants were closing their doors. Now, Mr. Speaker, this government has worked and worked hard to turn that around.

We have provided special help to small schools so that they can provide quality education. We have built new rural hospitals and have improved health services in small communities. We have helped small towns renew their streets and their parks and their commercial facilities. We have improved rural transportation. We have assisted young farmers through FarmStart and the land bank. We have supported the agricultural industry through hog and beef stabilization. And we have invested in rural Saskatchewan through rural revenue sharing. This budget, Mr. Speaker, expands our support for rural communities.

We will increase the maintenance budget for highways by 19 per cent to more than \$67 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Capital expenditures on highways will exceed \$128 million.

Two years ago I announced a new community capital fund, CCF 2, for our urban municipalities. Today, Mr. Speaker, I'm pleased to announce that the Government of Saskatchewan will establish a new five-year, \$12 million rural capital fund.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — This fund will provide financial assistance for capital projects which are designed to enhance the quality of life in rural Saskatchewan - yet another measure, Mr. Speaker, to keep property taxes down. And there are other

initiatives in this budget which are of special interest to rural residents, including almost \$1.5 million to expand the number of designated level 4 beds and to increase staffing. With assistance from the Operation Open Roads 2 program, which we introduced last year, 16 more communities will receive dust-free access roads in 1982. And 65 communities throughout Saskatchewan will receive assistance under the Main Street program.

Mr. Speaker, these are just some of the important measures for rural Saskatchewan. But I have one more announcement to make. A secure and affordable supply of energy is vital to the economic health and the quality of life of rural Saskatchewan. I want the members opposite to know that we stood behind this principle as a government in 1949 when we established the Saskatchewan Power Corporation and introduced rural electrification, which members of that political persuasion opposed. Within 10 years a total of 51,000 farms in Saskatchewan had received electrical service - a remarkable achievement.

In the 1960s we undertook a major expansion of the natural gas network, and by the early 1970s natural gas had been provided to an additional 100,000 customers outside our major cities.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — During the past decade we have witnessed large increases in the price of oil and other forms of energy. Energy is not going to get cheaper, but at least the uncertainty about future increases has been reduced as a result of the recent energy agreements. Consequently, natural gas has become a more effective alternative to oil and propane for rural residents. Mr. Speaker, it now makes sense to expand even further our natural gas network. Today we are ready to embark on a new endeavor. Mr. Speaker, it gives me great pleasure to announce to the Legislative Assembly that we will introduce a new comprehensive and responsible rural energy program. This program will reduce energy costs for many rural consumers and bring these costs much closer to those of urban Saskatchewan.

This is a two-part program. First, we will expand our rural natural gas network at a cost of up to \$175 million. And over the next three years, we will extend the natural gas network to thousands more customers in rural communities and farms. But I caution, Mr. Speaker, that this major new initiative will not mean that all of Saskatchewan will have access to natural gas by 1985; that would be irresponsible. Such a scheme would cost close to \$1 billion. Rather, we have chosen a realistic and responsible plan. But there is more. I said that this is a two-part program. Mr. Speaker, for those who do not have access to natural gas, we will provide \$75 million for a major expansion of our Warm Up Saskatchewan program.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Under this five-year program, financed by the heritage fund, we will provide home-owners with interest-free loans of up to \$3,000. We will provide interest-free loans up to \$10,000 for small rural businesses, for community halls, for recreation facilities, for schools, and hospitals for energy saving activities.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — My colleague, the minister responsible for the

Saskatchewan Power Corporation, will provide further information on this major new initiative in the near future. These dramatic measures demonstrate this government's determination to sustain the viability of rural communities and enhance the quality of rural life.

Mr. Speaker, I said earlier the main thrust of this budget is protection for people; protection from high interest rates, protection from the rising cost of living, protection from the threat of unemployment. These are national problems and should be solved at the national level, but obviously the federal policies have failed and worse still they have provided little help for those Canadians hardest hit. Mr. Speaker, people need help now, and the Government of Saskatchewan is determined to provide that help.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — This budget provides for the people of Saskatchewan a far-reaching package of new initiatives to combat the rising cost of living. These include assistance for home-owners and for senior citizens, and for Saskatchewan taxpayers. One of the strengths of the Saskatchewan Heritage Fund is that it gives us the financial ability to respond to the economic problems facing Saskatchewan people. Mr. Speaker, home-owners right across the country are threatened with losing their homes because of high interest rates. In December of last year our government introduced The Home-owners' Protection Act to prevent foreclosures during 1982 due to financial hardship. We urged the federal government to move away from its high interest rate policy. That has not happened. Over the long term the provincial government cannot, and indeed should not, have to carry the many burdens created by high interest rates. But in the short term this government is ready to help Saskatchewan home-owners cope with the present crisis and adjust over a period of time to large increases in their mortgage payments.

Mr. Speaker, it give me great pleasure to announce that effective April 1, 1982, we will introduce a new \$20 million mortgage assistance program.

The new home-owners mortgage entitlement protection program will provide help for a full 12-month adjustment period to existing home-owners who have been trapped by high interest rates. Direct assistance will be available to approximately 25,000 home-owners whose mortgage rates exceed 15 per cent. Benefits will be income tested for families with incomes over \$25,000. Under our new home protection program eligible home-owners will receive grants up to \$2,500, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Concrete help, Mr. Speaker, for home-owners. My colleague, the minister responsible for housing, will provide additional details later. Mr. Speaker, the inflation rate in Canada has had a particularly severe effect on senior citizens living on fixed incomes. The Government of Saskatchewan believes that senior citizens have the right to live independent lives in affordable accommodation, and we are determined to protect that right. Those who have left the work force to retire on low and fixed incomes must be protected.

It, therefore, gives me great pleasure to announce a major new program for senior citizens. In 1982 we will launch the senior citizens shelter allowance program which will help ensure that every senior citizen can live, and can afford to live, in decent housing.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — In some other jurisdictions in North America, Mr. Speaker, those kinds of programs are being cut and done away with.

Starting in July our new shelter allowance program will provide financial assistance to 20,000 senior citizens whose shelter costs exceed 25 per cent of their income. This program is aimed especially at the needs of senior citizens living alone. The details will be announced shortly by my colleague, the Minister of Social Services. This shelter allowance program will provide \$6 million in its first full year of operation - concrete help, Mr. Speaker, for senior citizens.

Some years ago Saskatchewan pioneered an innovative program called the family income plan. This program was designed to help low-income working people with children make a go of it with the help of income supplements. Well, Mr. Speaker, last year we moved to help these families by increasing the benefits under the family income plan by 40 per cent. Today I wish to announce a further 21 per cent increase, raising the maximum benefit per child from \$70 to \$85 per month. This brings the two-year increase to over 60 per cent. Mr. Speaker - concrete help for low-income earners.

**SOME HON. MEMBERS** Hear, hear!

**HON. MR. TCHORZEWSKI:** — But this budget contains more for Saskatchewan families with children. I have an important announcement to make relating to the education and health tax. Effective on March 29, 1982, we will eliminate the sales tax on children's clothing and footwear.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — This tax cut will help Saskatchewan families meet rising costs by providing over \$3 million in tax relief next year - concrete help, Mr. Speaker, for Saskatchewan families.

Let us remember that the Saskatchewan personal income tax in 1982 has been reduced by \$57 million - \$46 million because of the indexation of the provincial income tax system and \$11 million due to the income tax cuts from 52 per cent to 51 percent which took effect on January 1 of this year.

There is more tax relief, Mr. Speaker. In 1981 we provided \$74 million of school tax relief to Saskatchewan residents through the property tax rebate programs. I am now pleased to announce an \$8 million enrichment in benefits provided by these programs.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — For home-owners there is a \$40 increase in the property improvement grant and the senior citizens' school tax rebates raising the maximums to \$270 and \$500 respectively; and for farmers raising the maximums to \$415 and \$645 respectively. For business people there is a corresponding increase in their property improvement grant to a maximum of \$290. For renters there is a \$25 increase in their renters' rebate to \$140 maximum, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — All of this, Mr. Speaker, is concrete help for property tax payers.

I have announced this afternoon a major new package of initiatives which will help protect Saskatchewan people from the rapidly rising cost of living. The total cost of these initiatives is almost \$100 million, Mr. Speaker, and this is good news for people who are burdened by inflation and high interest rates, but there is more.

This government believes that Saskatchewan people should have an adequate supply of affordable housing. We will not stand by while high interest rates destroy the housing construction industry in our province. We will not stand by and watch the vacancy rate for rental units fall to unacceptable levels. Nor, Mr. Speaker, will we stand by and watch the supply of new houses dwindle to the point where a shortage in future years will drive prices beyond the reach of most Saskatchewan families.

This government has already put in place many programs to make the cost of housing more affordable. We have the only mortgage interest tax credit program in Canada, enriched property tax rebates for home-owners, renters and senior citizens, a new and innovative shelter allowance program for senior citizens, a new home protection program for home-owners caught unprotected by the dramatic rise in interest rates. But, Mr. Speaker, we must do more.

We must also be sure that new housing is built, and that the stock of housing is renewed. Our record to date is impressive. Over the last 10 years this government has provided 5,400 new housing units through home ownership programs, 11,500 new low-income rental units - 8,000 of them for senior citizens - and 61,000 loans and grants to homeowners to repair their homes. And today, I'm pleased to present to this Assembly a budget which contains the largest package of housing initiatives ever introduced in Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — First, through our existing programs we will construct 1,000 new housing units and 1,550 new low-income rental units.

Second, we will increase the maximum grant under our senior citizens' home repair program from \$650 to \$800. And we expect that at least 4,000 senior citizens will benefit from this program in 1982. In total, subsidies to home-owners and renters from existing programs will climb to \$19 million in 1982 - a 68 per cent increase. I am also pleased to announce two significant new public investments which will help to head off a housing shortage now and in the years ahead.

First, this government will undertake a special 500-unit apartment construction program for moderate-income renters. This \$25 million program will help to improve the availability of rental accommodation in our major cities.

Second, for prospective home-owners this government will provide \$60 million to construct an additional 1,000 houses. In total, Mr. Speaker, this housing package will provide over \$200 million to build over 4,000 new housing units, an increase of 130 per cent in capital spending.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — We estimate that this construction program will account for nearly half of all housing starts in Saskatchewan in 1982, and will generate more than 5,000 jobs for construction work. Concrete help, Mr. Speaker, for home-owners, for renters and for construction workers.

Small businesses are at the very heart of every Saskatchewan community and together they provide more jobs than any other sector of the economy - jobs and services for Saskatchewan people. Last year, we cut the income tax rate for small businesses from 11 per cent to 10 per cent for a saving of approximately \$4 million in 1982. This year we will increase our funding for the Aid to Trade program by 50 per cent to help Saskatchewan manufacturers capture more markets. Last year alone, I think it is worth pointing out, this program helped generate more than \$14 million in additional sales. Small businesses are highly vulnerable to the burden of rising interest rates and inflation. To help them cope we are taking two important steps. First, we will double the grants now available to small businesses under the interest abatement program. For larger centres we will raise the grant limit to \$500, and for smaller centres to \$1,000.

Second, I am pleased to announce that the Saskatchewan Economic Development Corporation (Sedco) will introduce a major new program of financial assistance for 1982. Sedco has been authorized to provide special low-interest loans of up to \$25,000 to cover the current operating needs of eligible small businesses.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — These loans will be provided at a rate of interest 1 percentage point below the banks' prime lending rate. For many small businesses this will mean an effective saving of up to 3 percentage points.

Finally, to assist Saskatchewan small businesses, I am pleased to announce that we will increase the commissions paid for collecting the education and health tax, making them among the most generous in Canada - concrete help for small businesses.

Protecting people from inflation means little if they do not have jobs. Canadians who lose their jobs have become cannon fodder in the fight against inflation. But in Saskatchewan the story is different. We have planned ahead and our economy has grown. The result is that our unemployment rate in 1981 at 4.6 per cent is the second lowest in Canada. We cannot rest on past performance alone. More jobs are needed for Saskatchewan people. In February at the first ministers' conference on the economy, we proposed a public sector investment strategy to pull this country out of a recession and to build for tomorrow. Mr. Speaker, I am pleased to announce that our capital investment program for Crown corporations will increase by 28 per cent to \$1.3 billion.

In addition to the activities of the Crown corporations, the government's own capital spending program, through the consolidated fund and the heritage fund, will total over \$600 million. Taken together, these capital investments and expenditures will total \$2 billion and support 18,000 construction jobs.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — I am pleased to say, Mr. Speaker, that this represents an increase of 4,000 new jobs. But we are told by the federal government that there is no alternative to high interest rates. As I have already said, we reject that defeatist approach. We, in Saskatchewan cannot change interest rates but we can help those hurt most by high interest rates and recession by providing protection for home-owners, renters, senior citizens, families with children, small businesses, construction workers and all taxpayers. Mr. Speaker, in Saskatchewan people come first.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — I have talked about some of the important initiatives that this government will take to protect Saskatchewan people. These initiatives demonstrate one of our most important responsibilities. We believe in managing the public purse with care so that when the need arises we have the financial flexibility to respond. The Saskatchewan Heritage Fund gives us that flexibility. When people need protection today, this government can help without going into debt.

But governments have another responsibility. That is to build for the future. I view Saskatchewan's future with great optimism and I am pleased to say that this view is shared by others. The Royal Bank of Canada, for example, predicts that Saskatchewan's economy will grow at a faster rate in the 1980s than that of any other province. In 1981, the New York bond rating agencies upgraded Saskatchewan's credit rating from an AA to an AA plus and AA1.

Mr. Speaker, our plans for the future are based on two great resources: our people and our tremendous storehouse of natural wealth. Working with the private sector and using the heritage fund and the Crown corporations as a major public investment tool, we intend to proceed with our ambitious plans to develop Saskatchewan's natural resources.

The task of managing our vast resources and the revenues they bring is a large one. We must balance the need to provide services for people today with the need to invest in the future. That's why we established the heritage fund in 1978. The most important feature of the heritage fund is the dividend paid each year to the consolidated fund to help pay for ongoing programs and services. This year, Mr. Speaker, I am pleased to announce that the heritage fund will pay a dividend of \$750 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Let me take a moment to put that into perspective. This \$750 million dividend next year will pay for the full cost of premium-free hospital insurance, operating grants to schools, our hog and beef stabilization programs, the new senior citizens shelter allowance program, the new mortgage assistance program, and the prescription drug plan. The important thing about that, Mr. Speaker, is that if we had to pay for these programs out of ordinary tax revenues it would cost each and every family in Saskatchewan an extra \$2,000 next year. In total, the Saskatchewan Heritage Fund will spend over \$900 million of our resource revenues to meet the needs of today - a very impressive commitment.

But some, Mr. Speaker, are not impressed. Some say we should spend more and some say in fact, "Liquidate the heritage fund. Spend it all today and let the future care of itself." It is ironic, Mr. Speaker, that it is the members opposite who say, "Spend our heritage dollars now." The selfsame critics oppose our resource policies every step of

the way. If the Tories had had their way, Mr. Speaker, there would be no heritage fund that they now dream so much about plundering. Mr. Speaker, this NDP government believes that Saskatchewan's non-renewable resources are held in trust. We believe the one-time revenues we receive must benefit not only this generation but also those which follow.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — And that's why we created the heritage fund. That's why each year a portion of our resource revenues are invested in the future.

In 1982 the heritage fund will invest \$200 million in resource projects that will both spur development and provide a financial return to the people of Saskatchewan. And the heritage fund is now reaping returns from its earlier resource development and investments. In this fiscal year the Potash Corporation of Saskatchewan paid a dividend of \$50 million and, despite softer world potash markets, I am pleased to announce that the 1981 profits for the Potash Corporation of Saskatchewan were \$141 million.

Now in the last five years, over \$400 million in profits generated by PCS have stayed home, working in Saskatchewan. And these profits, let me add, fall only \$5 million short of our original equity investment in the Potash Corporation of Saskatchewan - an investment which the members opposite called a poor investment, Mr. Speaker.

Now, Mr. Speaker, the opposition in recent times has softened its attack on this government's policy of getting a fair return on our potash, our oil and our uranium. With good reason! Their polls tell them that the vast majority of Saskatchewan people support the policy enthusiastically.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — So what have they done? They have taken a different tack. They seek to discredit our resource policies by attacking our Crown corporations. Well, Mr. Speaker, let them be warned. The people of this province will not be fooled. They know it is the Crown corporations which make our resource policies work to the benefit of all Saskatchewan people. And they know that if the Tories ever came to power, they would dismantle our Crown corporations and turn them over to their corporate friends.

Mr. Speaker, I'm pleased to announce today that our potash corporation will pay a further dividend to its shareholders, the people of Saskatchewan - another \$50 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — The potash corporation is only one of many successful Crown corporations in Saskatchewan. Our CCF predecessors in this House had the wisdom to develop two of the finest public utility corporations in Canada - Sask Tel and Sask Power. Today our energy needs are increasing rapidly with the growth of our economy. New power plants are under construction and others are planned. This will provide a dependable supply of future electrical power, not however at the rates we have enjoyed in the past. Utility corporations, whether public or private, are not immune from inflation. Higher utility rates are caused by a number of factors - higher wellhead prices, new federal taxes, and especially high interest rates which must be paid to finance needed expansion of Saskatchewan's energy capacity. Despite these

factors, recent increases in utility rates have been criticized in some quarters and the very harshest critics again, not surprisingly, sit on the benches opposite. Their harshness, Mr. Speaker, has only been matched by their lack of logic.

On the one hand, they oppose any sort of deficit incurred by Saskatchewan's utility corporations, no matter how small that deficit. They say we are not doing a good job. On the other hand, Mr. Speaker, they condemn those utilities for making a profit - any sort of profit. They say we are gouging the public. Mr. Speaker, they can't have it both ways. It just doesn't wash.

Those same critics call on us to establish an independent review board to approve utility rate increases. Well, I want to say that our position is clear. If our utilities were owned by the private sector, it would certainly be necessary to have a review board to protect the public interest. But because our utilities are owned and operated by the people of Saskatchewan, and because they are accountable to this legislature, the public interest is their first consideration.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Let me emphasize that this government stands squarely behind the long record of service in the public interest recorded by the Saskatchewan Power Corporation. We believe that rates for both natural gas and electricity in Saskatchewan compare favorably with other jurisdictions in Canada. In support of this conviction, we believe the time has come to air this question before an impartial tribunal. Therefore, I am pleased to announce that former Chief Justice Culliton has agreed to serve as a one-person commission to undertake a comprehensive review of natural gas and electricity rates in Saskatchewan. We will also ask the commission to see if there are ways that make sense for Saskatchewan to provide greater public input into the rate-setting process. With this announcement, Mr. Speaker, and effective immediately, we are placing a freeze on natural gas and electricity rates for residential and farm customers until a report is received.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — My colleague, the Minister of Consumer Affairs, will provide additional details of the commission in the next few days.

Mr. Speaker, we look forward to many more jobs in Saskatchewan as a result of strong economic growth throughout the '80s. We look forward to many more opportunities for Saskatchewan people. But with this growth comes a challenge, and that challenge is to make sure that Saskatchewan people have the education and the skills needed to do those jobs.

I am pleased to announce that in 1982 we will take two important new steps. First, we will undertake a further major expansion of STI (Saskatchewan Technical Institute) in Moose Jaw at a cost of \$5 million. This expansion will provide 250 new training spaces in occupations for which a high demand is predicted. Second, for Northerners, we will construct a new technical training facility in La Ronge. In addition, I am pleased to inform this Assembly that we will begin construction of the new technical training institute at Prince Albert at a total cost of over \$15 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Together, these new facilities will create more than 750 new training spaces in Saskatchewan.

Mr. Speaker, the federal government is openly cutting back its support for post-secondary education. We oppose that cutback. We believe it is wrong, but we cannot permit that decision to impair the quality of Saskatchewan education. I am pleased today to announce a substantial increase in the funding for Saskatchewan universities. We will raise our operating grants to universities by 17 per cent to almost \$118 million. I am confident that this increase of 17 per cent will be among the highest in Canada this year. Students in our universities and technical schools must also be protected from the rising cost of living. Therefore, we will provide a 24 per cent increase in funds allocated for student bursaries.

Mr. Speaker, the Department of Northern Saskatchewan was established 10 years ago in 1972. Since that time northern Saskatchewan has experienced remarkable progress, vastly improved living conditions and far wider economic opportunities for northern people. A key to this success and to our northern strategy is education. Northerners must have the educational opportunities available so that they can qualify for the jobs that come with development. Last year, over 1,400 people were enrolled in the various northern training programs, and with the funds provided in this budget, enrolment will increase by 20 per cent.

The second element of our strategy is to provide greater job opportunities in the North and to assist Northerners to develop their own opportunities. We will provide \$40 million for capital grants and construction projects and 250 jobs through our Crown corporations in mineral exploration and forestry and utility service expansion, plus over 1,200 construction jobs for the Key Lake mine, and to assist Northerners in developing their own opportunities I am pleased to announce that the economic development foundation will begin operations in the North this year.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Last year I announced that this new act would be accompanied by two new programs, northern revenue sharing and northern community capital grants, which together will make \$55 million available to northern local governments over the next five years. In addition, I am pleased to announce a land assembly program for northern local governments. In total, grants to northern local governments will increase by more than 100 per cent. These measures demonstrate our commitment to provide more autonomous local governments for the people of northern Saskatchewan.

Finally, I have two major announcements regarding northern health care services. First, I am pleased to announce that we will construct a new hospital in La Ronge at a cost of \$5.5 million.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — And second, we will convert the existing hospital at La Ronge to become northern Saskatchewan's first long-term care facility. This will help serve the needs of senior citizens in the North who require special nursing care. One more indication, Mr. Speaker, that our commitment to the people of northern Saskatchewan will continue.

Let me now, as I come to the conclusion of my remarks, turn to the details of our taxation measures and the financial situation of the provincial government. Saskatchewan has a long tradition of sound financial management as demonstrated by our record of balanced budget and our strong credit rating. Mr. Speaker, I am pleased to say that we are continuing that tradition of sound financial management in this budget. This government believes that the tax burden must be distributed among individuals and corporations in an equitable manner, based on ability to pay, and in support of this principle, we have substantially improved the provincial income tax system since 1977. We have reduced the provincial income tax rate on individuals from 58.5 per cent of the basic federal tax to 51 per cent, and for small businesses from 12 per cent to 10 per cent. We have introduced a mortgage interest tax credit, the only such program in Canada. We have a capital gains tax rebate program for farmers and small businesses, again the only such program in Canada, and we have made the personal income tax system more progressive by introducing significant tax reductions for lower- and middle-income families and senior citizens, and by levying a surtax on the high-income earners in the province.

Mr. Speaker, we promised to reduce the level of taxation on the citizens of Saskatchewan as resource revenues increase. We have kept that promise. A family of four earning \$20,000 per year will save \$197 in personal taxes in 1982 compared to 1981. Now there are three provinces that have lower income tax rates than Saskatchewan, but each of them charge substantial premiums for health care, up to \$552 per family in Conservative Ontario. Under the NDP, Saskatchewan does not and will not levy health care premiums, Mr. Speaker.

When you compare Saskatchewan with the rest of the country, families with incomes of up to \$20,000 pay lower taxes and charges in Saskatchewan than any other province in Canada including Alberta. At \$30,000 of income per year, taxes and charges are lower than any other province except Alberta.

I would like to report briefly on our fiscal position. For 1981-82, I now estimate that revenues and expenditures will be balanced at \$2,400 million - a balanced budget, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Looking ahead to 1982-83, as I have already said, this government believes that people are more important than the balance sheet. We are committed to protecting Saskatchewan citizens from inflation and high interest rates. We are committed to improving our social and economic programs. To do anything less would fall short of our responsibilities as a provincial government. We have cut taxes and remain committed to the principle of sound financial management.

Mr. Speaker, I am pleased to say that we will balance the budget for the coming year as well - another balanced budget, Mr. Speaker, at a time when transfers to the provinces from the national level are being cut back.

Federal transfers to Saskatchewan in 1982 (just for the benefit of the member opposite) will actually be lower than in 1981. Consolidated fund revenues and expenditures will be balanced at about \$2,760 million, and revenues flowing into the heritage fund are forecast to be \$1,114 million with expenditures of \$907 million. The combined surplus of the consolidated and the heritage funds for 1982-83 is estimated

to be \$208 million.

Our Crown corporations will be undertaking significant expansion. The total capital requirements will amount to \$2 billion including the repayment of debt, and this will provide stimulus and stability to Saskatchewan's economy both this year and in the future. This ambitious capital program will be financed in part by \$859 million to be borrowed on the major Canadian and United States dollar markets. Because of our strong financial position we anticipate no difficulty in borrowing the required funds at the best possible rates. And, Mr. Speaker, may I point out that the amount to be borrowed in 1982 is entirely for the purposes of our Crown corporations which are fully responsible for the repayment of the interest and the principal.

Mr. Speaker, let me conclude my remarks. Three fundamental principles have guided us in drawing up this budget. They are that people come first, not profits, not interest rates, but people; that government must manage public funds responsibly; and that government must plan and build for the future.

First and foremost this budget provides protection for people - protection from high interest rates, high inflation and high unemployment. It manages the public purse responsibly with a balanced budget in the consolidated fund and \$200 million of investments in the heritage fund. And it provides leadership through an ambitious program of investments and job creation measures to build for an even stronger tomorrow.

Let me highlight our program for 1982. First, we will act to protect Saskatchewan people from the rising cost of living: for home-owners, mortgage interest relief and a freeze on utility rates; for senior citizens, a new shelter allowance program; for property taxpayers, property tax rebate increases; and for families with children, the elimination of the sales tax on children's clothing and footwear and an increase in the family income plan benefits and day care subsidies.

Second, we will protect Saskatchewan people from a shortage of affordable housing with over 4,000 new housing units throughout Saskatchewan. And, third, we will help protect Saskatchewan people from unemployment and keep our economy moving with \$2 billion in job creating capital investment from Crown corporations and government agencies, and low interest loans for small businesses.

Mr. Speaker, these programs are for all of Saskatchewan, but for farmers and rural communities there is a special emphasis. In 1982, we will establish a new \$12 million rural capital fund. We will eliminate the fuel tax for tandem-axle farm trucks and provide more funds and more staff for rural hospitals. And, Mr. Speaker, we will introduce a new rural energy program.

And there is more! This budget demonstrates our commitment to the health, social and community services which are so vitally important to the quality of life in Saskatchewan.

Other jurisdictions in Canada and in the United States are cutting back on these fundamental services. In Saskatchewan we will improve them. For health there is a 20 per cent increase for the Saskatchewan Hospital Services Plan, an extension to the children's dental plan, and a richer funding formula for regional community hospital construction. For social services there is a 52 per cent increase for homecare, 133 new nursing home beds, and 400 more spaces for day care. For education there is a 25 per

cent increase in school capital grants, a 15 per cent increase per student in school operating grants, a 17 per cent increase in university operating grants, a 24 per cent increase for student bursaries, and much expanded opportunities through our technical institutions.

For urban municipalities there is an 11.5 per cent increase in urban revenue sharing and a 36 per cent increase in urban capital grants. And for culture and recreation there is a new \$43 million recreation and cultural facilities grant program.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, that is our budget for 1982. First, it is a balanced budget, balanced because of the tough decisions taken by this government to win a fair share of resource revenues for the people of Saskatchewan. And, second, it is a budget which builds for the future, a secure future under the leadership of Premier Allan Blakeney.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. TCHORZEWSKI:** — Most importantly it is a budget that commits this government to the vision that I spoke of at the beginning: to build a society based on co-operation in which all can share. We are fortunate today to be blessed with far greater prosperity and far wider opportunities than ever thought possible. Yet our guiding principle remains the same: in Saskatchewan, people come first, Mr. Speaker.

Mr. Speaker, with those remarks on the 1982-83 budget, I wish to move the following motion, seconded by my colleague, Mr. Bowerman, the member for Shellbrook:

That this Assembly do now resolve itself into the committee of finance.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROUSSEAU:** — It sounds, Mr. Speaker, like they are all anxious for an election. Any time and let's get at it.

Firstly, Mr. Speaker, I would like to congratulate the Minister of Finance for the eloquent manner in which he delivered that speech. But mostly I'd like to congratulate him for having delivered it with a straight face. Mr. Speaker, that budget we heard today was the budget reply I delivered in this Assembly one year ago. The presentation of this budget today, Mr. Speaker, is an admission by the government that for 11 years they have been wrong and we have been right. If ever I have seen a government, Mr. Speaker, do a flip-flop over their policies, it was this government today. Unbelievable? Let me outline, Mr. Speaker, some of the major highlights of the budget. We have, in the budget today, rural gasification. We have a housing mortgage assistance program. We have a one-man public utilities review commission, tax-free fuel on tandem farm trucks and the removal of sales tax on children's clothing. Does it ring a bell, Mr. Speaker? A year ago in this Assembly I introduced this program exactly! Mr. Speaker, this government is a day late and a dollar short of the programs the people of this province want. Someone said earlier today that the Premier is not seeing the light but he's feeling the heat and I don't think there is any question about that.

I would just like to point to perhaps a few other minor highlights of the budget speech, for example, an increase in rent rebate by \$2 per month, an increase in home-owners

property grants of \$3 per month. That's \$2 for renters and \$3 for home-owners.

They introduced a program for small businesses' borrowing from Sedco. If they think that \$40 a month is going to help them, they'd better think again.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROUSSEAU:** — They leaked this budget earlier this week to make people believe there was going to be \$200 million available in the housing program. I see by the budget that it's \$20 million. They say . . . (inaudible) . . . going to be \$2,400. You said \$2,500 but the book says \$2,400. Now they have reintroduced in this legislature today a means test. That means for anyone to benefit for the \$2,400, they can't afford the house. Anyone who will be able to qualify for the \$2,500 rebate won't be able to afford to buy the house to begin with. They're a day late and a dollar short, Mr. Speaker.

Mr. Speaker, I think the budget today is very strong evidence of the tiredness and age of the members opposite. They're old. They're tired. They have run out of ideas. The ideas that were presented today were ideas that we gave them a year ago.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROUSSEAU:** — I will just say a little more. I will make my remarks very brief. It's a budget that was blatantly insensitive to the needs of the people of Saskatchewan. It was callous and it was, above all, sleazy. For 11 years they've been gouging the people of this province. They've increased SGI rates. Gas tax has increased to 40 cents per gallon. They've increased power bills by 275 per cent in recent years. Natural gas rates have increased by 1330 per cent. With all of this gouging, they now come in with some pennies - some few, small amounts for help and assistance to the people. Just \$2 per month for rent rebates, \$3 per month for property home-owners.

Mr. Speaker, I know the people in this Assembly have been sitting here a long time today. The day is getting late. I will have a lot more to say providing the Premier allows me the opportunity to do so before he calls the election. As such, Mr. Speaker, I beg leave to adjourn debate.

**SOME HON. MEMBERS:** Hear, hear!

Debate adjourned.

**HON. MR. TCHORZEWSKI:** — Mr. Speaker, by leave of the Assembly, I would like to move a motion, seconded by the Hon. Mr. McArthur, the member for Regina Lakeview:

That debate on the motion "That this Assembly do now resolve itself into committee of finance" be resumed on Monday, March 22, 1982.

Motion agreed to.

The Assembly adjourned at 4:15 p.m.