

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Twentieth Legislature

Monday, November 29, 1982.

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

WELCOME TO STUDENTS

HON. MR. SWAN: – It is my privilege today to introduce to the Assembly a group of five students accompanied by a group of parents from the Macrorie Seventh Day Adventist School. These students came quite a long ways to be with us today. I'd like to recognize the parents that are with them: Lorne Agrey, Ver and Louise Redden, Ray and Gwen Smith, Archie and Mary Coates. I ask the members to welcome these guests to the Assembly today.

I hope that you will find the proceedings interesting and challenging.

HON. MEMBERS: – Hear, hear!

MR. RYBCHUK: – Mr. Speaker, I'd like to introduce to you and to this Assembly 38 grade 8 students from Glen Elm School in Regina. They are accompanied by their teacher, Jim Zwarych, and are seated in the west gallery. I want to thank the students for showing their interest in this legislature, and I hope this visit will be both entertaining and educational. I would ask the Assembly to give them a great hand of welcome.

HON. MEMBERS: – Hear, hear!

ANNOUNCEMENT

Miss Grey Cup

MR. KLEIN: – Mr. Speaker, the other evening I had the privilege of attending a dinner where the then Miss Saskatchewan Roughrider was wished well by everyone present in her further pursuits of glory. As we all know, Miss Saskatchewan Roughrider, Leslie McNaughton, is presently Miss Grey Cup; and I would ask the entire Assembly to congratulate her for her fine victory.

HON. MEMBERS: – Hear, hear!

HON. MR. BLAKENEY: – Mr. Speaker, I speak partly as a member for Regina and partly as representing the official opposition in joining with the member for Regina North in congratulating Miss Saskatchewan Roughrider, now Miss Grey Cup.

HON. MEMBERS: – Hear, hear!

QUESTIONS

Provincial Deficit

HON. MR. BLAKENEY: – I direct a question to the Minister of Finance. In the budget

speech given by the previous minister of finance on March 18, he referred to money payable by the federal government under the oil export charge and he referred to the fact that it was expected to be received by March 31. A subsequent publication put out by the Minister of Finance, the Hon. Mr. Andrew, has indicated that the money was in fact received in April and that money with respect to the year 1989-81, in the amount of some \$109 million has been credited to the current financial year, in accordance with the practice which has been established over some time.

My question to the Minister of Finance is this: does he agree that had the cheque from the federal government arrived in March as anticipated, rather than April as was the fact, his deficit would have been increased by an amount of \$109 million?

HON. MR. ANDREW: – Mr. Speaker, I don't agree at all. The money that was received was received in the month of April. It was allocated accordingly at a time when we were not the government and some of the members over there were the government, and, as I understand, according to the proper accounting techniques that were laid down prior to us coming into government. I think the point the hon. member tries to make is: would that have added another \$109 million? I would say no.

The situation was as follows. On transition, on the point in time of us taking office, Mr. Speaker, the best guess number as to the revenues that would be received by the province of Saskatchewan from oil royalties was \$688 million. That number included the \$109 million allocated according to the question of the hon. member.

HON. MR. BLAKENEY: – Mr. Speaker, I will try again. Is it not true that had that \$109 million arrived on March 31 rather than in April, your budget would have been \$109 million more in the red?

HON. MR. ANDREW: – I suppose, Mr. Speaker, that we can go back to a whole lot of questions: What if? What if? What if? What if? The reality, Mr. Speaker, is that what we are accounting for in the budget is the number of dollars that we receive in, and the number of dollars that we pay out. Judging from the reaction I have seen across the province, by and large the people of Saskatchewan are just as happy with it now as they were on April 26.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. BLAKENEY: – Mr. Speaker, just one supplementary question. Does the minister agree that this \$109 million that he has credited to revenue this year has nothing to do with anything that occurred this year; has in fact nothing to do with anything that occurred last year, except for the negotiation of the payment, but in fact is money which is payable to the Government of Saskatchewan with respect to activities in the financial year 1980-81.

HON. MR. ANDREW: – Mr. Speaker, there are a number of items that I wish to try answer in response to the hon. member's question. We also found in his "What if?" column that there was a \$100 million overpayment by the federal government to the provincial government under equalization. That money was received prior to 1982-83, but unfortunately has to be paid back in this year and in years down the road. So I don't wish to get into the game of What if? What if? What if?

Mr. Speaker, the budget was delivered. The numbers are there for all to see. When money is received it is in accordance with the rules as set down when they were in

government. We simply follow those rules. There are many variations of that – dollars come in; dollars go out. We simply follow proper accounting practices in place. We delivered the budget and by and large everybody accepted it, Mr. Speaker.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. BLAKENEY: – On further and final supplementary on this point. If, as the hon. minister says, these things happen, both with respect to equalization payments and with respect to oil export tax payments, how was it that the minister made such outstanding, and underlined note of the fact there was a difference with respect to the equalization payments, and was totally silent – and I mean totally silent – in his budget address with respect to the \$109 million windfall?

HON. MR. ANDREW: – Mr. Speaker, that particular point was raised in the economic and financial position set out in July. The Leader of the Opposition, I'm sure, read that in July. He has raised the question. With regard to it, Mr. Speaker, what we were doing was setting out in July what we saw as our position. We have nothing to hide, nothing to keep under the table. What we delivered last Wednesday were the straight goods, by and large, Mr. Speaker. The people of Saskatchewan accepted that, and they accepted that far better, Mr. Speaker, than they accepted the budget which was presented by that former administration in March 1982.

Renovation of Regina Union Station

MR. SHILLINGTON: – Question to the Minister of Urban Affairs. The minister and the House will be aware that in the latter part of last winter, the Government of Saskatchewan, the city of Regina and VIA Rail entered into an agreement to renovate Regina Union Station and use it as a multimodal station. My question for the Minister of Urban Affairs is: is this commitment being kept? Is the project continuing with all possible dispatch, or has this project fallen victim to the Tory deep freeze?

MR. SCHOENHALS: – Mr. Speaker, the portion of the provincial share of the multimodal program lies with STC. Consequently, the decision was taken by their board – the previous board – not to continue with that program, not to enter into that program, which is not just VIA Rail and STC. We have asked CIC to take a look at that. It is my understanding they either have met the end of last week, or will meet very shortly to discuss that and send us back an opinion.

MR. SHILLINGTON: – Well, I gather then the answer to that question is yes, it has fallen victim to the Tory deep-freeze. Is the minister unaware that a binding commitment has been made, that some of the parties including VIA Rail have gone to some expense on the vain hope that this government would keep its word? Does the word and credibility of this government mean nothing at all?

MR. SCHOENHALS: – Mr. Speaker, that question is loaded with a number of inaccuracies. The first group to pull out of VIA Rail was the city when they withdrew the bus service, which was the original intent of multimodal that could not better be defined as proposed dual-modal. There have been no firm commitments made. We have not decided whether to go ahead or not. VIA Rail is perfectly clear of that. We will continue, and when we have a decision, we will let them know.

MR. SHILLINGTON: – Further supplementary to the minister. How long do the other parties have to wait while you people dither? How long is it before you're going to tell them whether or not you are going to keep your word?

MR. SCHOENHALS: – Mr. Speaker, once again I will repeat the portion of my answer that was apparently missed. The Previous board, the one that your government put in place, decided not to continue with the arrangement, not our board. Our board has looked at it. We've sent it to CIC. We expect to have an answer very shortly. VIA Rail is totally aware of what we're doing and where we're going with it.

MR. SHILLINGTON: – New question, I think this is, Mr. Speaker. I've learned of this for the first time but I'll take your word for it. Did the city of Regina's pull-out of their transit service have anything to do with the fact that their transit budget was less than what they had been led to believe it was? They got less from you people than what we told them. Did that have anything to do with the fact that they weren't able to participate?

MR. SCHOENHALS: – Mr. Speaker, the answer would be no, but to expand a little bit, the city of Regina . . . This is amazing; it's the first time he's heard about it. It took place well back during their administration. But I can understand that. The grant he makes reference to had no bearing whatsoever on that decision. It was simply a decision of the government to maintain the grant as it was in place.

Review of Crown Corporations

MR. KOSKIE: – In the absence of the Premier. I would like to direct a question to the Minister of Finance. I understand, I believe, that your government has established a committee to review the operations of the Crown corporations, and it seems to me that you have indicated that no major changes would be made before that review is completed. I ask the minister: is that generally the position that the government is taking in respect to Crown corporations?

HON. MR. ANDREW: – I think generally your statement is correct.

MR. KOSKIE: – I would like to ask as a supplementary: has the review been completed? And if not, when is it expected to be completed?

HON. MR. ANDREW: – The review is not completed. I believe the last witness, and I stand to be corrected on that, was the Leader of the Opposition when he appeared before it. The information is that the committee headed by Mr. Wolfgang Wolf will try to be completed by the end of this calendar year at which time the report would be advanced to the government. It would be reviewed by cabinet and a public statement would likely be made, I would expect, in mid-January, 1983.

MR. KOSKIE: – As a further supplementary, Mr. Speaker, I would like to ask the minister: in view of what he concedes as his stated policy, can he explain then why the fur marketing corporation has already been dismantled before the committee has had an opportunity to review its operations?

HON. MR. ANDREW: – With regard to that question, I would like to beg that over to the Minister of DNS, who is also responsible for the fur marketing board, and he could perhaps respond as to why we had to move on that in advance. I would simply say that that's a very small item with regard to Crown corporations. But he can expand as to why that particular board went at this particular time.

HON. MR. McLEOD: – Mr. Speaker, I would be pleased to the question regarding the fur marketing service. The member may or may not know the sad state of affairs that was involved with the operations of the fur marketing service over the past couple of year – over a number of years, as a matter of fact, but especially bad over the last couple of years, the percentage share of market was drastically down to something less than 20 per cent. There was a projection for substantial losses for the current year, and the reason we had to move on it as quickly as we did was because of the current trapping season, which is something that you may not have taken into consideration. I'm not sure how much you know in your area about trapping and so on, but the current trapping season was coming on stream. The trappers association and trappers throughout this province were saying, "For goodness' sake, do something about the fur marketing service. Get it off our backs." We responded as we have done on many other things. We listened to the people involved in the industry and we got rid of the fur marketing service. And the people in the industry have certainly applauded that move.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. BLAKENEY: – A question to the minister. I was curious about his comment about the fur marketing service somehow being on somebody's back. Is the minister asserting that anybody had to sell a single fur to the fur marketing service if he didn't wish to? Is his suggestion that it was not totally voluntary?

HON. MR. McLEOD: – No, I'm not suggesting that nor did I suggest that in my earlier remarks.

Bus Route from Meadow Lake to La Loche

MR. THOMPSON: – Thank you, Mr. Speaker. My question is to the Minister of Northern Saskatchewan. Would the minister reconsider the subsidy that is needed to get the bus route from Meadow Lake to La Loche started again? Is he prepared to reconsider the \$41,000 subsidy that is needed to get this route operational at this time?

HON. MR. McLEOD: – Well, Mr. Speaker, I believe my colleague, the Minister of Highways, responsible for the Saskatchewan Transportation Company has responded to that several times. We are not now considering that particular subsidy because it's related to several other things in the operations of the STC, namely routes that it can connect with at Meadow Lake, as the member is aware.

The most important thing that could happen with any proposed route going into northern Saskatchewan, up the west side, would be to have a connection with a route so that you could go in the same day from any of the northern communities through Meadow Lake and on into North Battleford, Saskatoon, and whatever. So it has implications other than what the hon. member would suggest, those implications being connections for points further south.

MR. THOMPSON: – Supplementary, Mr. Speaker. The minister has just indicated, regarding the proposed bus route from Meadow Lake to La Loche, that the only reason it is not going ahead is that they can't come to any agreement on the feeder routes. I want to suggest to him that all of these proposals and the feeder routes were finalized prior to our losing the government. I want to quote from a letter that I received from the Minister of Highways, Mr. Speaker:

Final agreements were never reached with DNS because of recent changes to this department's structures, plus the use of these types of contractual arrangements and subsidy payments for marginal services, and any previous commitments can no longer be seen as valid.

I ask you at this time, Mr. Minister: would you reconsider this subsidy that would get this very important and much-needed route to the citizens of northwestern Saskatchewan in operation as soon as possible? Will your department reconsider the \$41,000?

HON. MR. McLEOD: – A couple of points need to be made, Mr. Speaker. Number one, the hon. member refers to agreements being made prior to his group losing government; that's very true. I'll tell you how early they were done. The agreements were made just during the election campaign or in March of 1982 – agreements that were made after 11 years in office by that group over there. Now all of a sudden they are talking about the absolute necessity of this bus service coming on stream as quickly as possible, when in fact it was an election ploy by that member and the former government. As I said before, we will be looking at all of the routes to see which are viable and which are not. Certainly there are some marginal routes where subsidies are necessary. That may well be the case. I'm not saying now that it will not. It may well be the case when we look at it, but it isn't under way right now.

MR. THOMPSON: – Supplementary, Mr. Speaker. The minister has just indicated to this House that that route that was promised was to get me re-elected in Athabasca. I tell this House, Mr. Speaker, and I tell the Minister of Northern Saskatchewan, that that route was . . .

MR. SPEAKER: – Order. The purpose of question period is not to be telling people but rather to be asking questions. Will the member ask the question?

MR. THOMPSON: – My supplementary to the minister, Mr. Speaker, is: referring to your statement that the route has to be economical before you will put it in, will you and the Minister of Transportation, the Minister of Highways, once again reconsider the subsidy that it takes to get that bus service operational as soon as possible?

HON. MR. GARNER: – Mr. Speaker, I will take this supplementary for the Minister of Northern Saskatchewan. Mr. Speaker, for the information of the hon. member opposite, we are going to be on an ongoing type of review of all routes in Saskatchewan – not because of northern Saskatchewan or southern Saskatchewan. One thing I can assure this Assembly, Mr. Speaker, and all members of this Assembly, is that we are not going to do like the previous administration did on the Prairie Shuttle and jump from the fat into the fire and cost the taxpayers of Saskatchewan \$100,000 or \$150,000. On all these routes, and the route to northern Saskatchewan, it isn't a matter of setting up a bus route from Meadow Lake to the North. We want to provide people from northern Saskatchewan an access to Saskatoon or Regina by setting up a route that will serve a purpose and most likely come to a break-even position, but we are not going to jump from the fat into the fire with Saskatchewan taxpayers' money.

MR. THOMPSON: – New question, Mr. Speaker, to the Minister of Highways, I want to quote from a letter that I received from the minister, Mr. Speaker.

As STC's current financial position will not permit it to launch this service unassisted, I can give you no indication at this time when the service will be reconsidered.

My question to the minister is: will you and your colleague, the Minister of Northern Saskatchewan, get together and try to work out a subsidy (it's not a large subsidy, \$41,000) to get that route that is so important to the citizens of Meadow Lake up to La Loche in operation?

HON. MR. GARNER: – Mr. Speaker, for the hon. member's information, as late as this morning I was meeting with the Minister of Northern Saskatchewan and the Minister of Tourism to find out what input and what information he had received to date regarding bus service in the North. We, as a new government, are very concerned about bus service for all parts of Saskatchewan. Once again, we will look at this with a very realistic view and not as the previous government has done it, as if routes were cut in stone and drawn in blood. This new government is willing to provide service to people from all parts of Saskatchewan.

MR. THOMPSON: – Supplementary, Mr. Speaker. Could the minister indicate to this House when a decision will be forthcoming regarding the route from Meadow Lake to La Loche?

HON. MR. GARNER: – Mr. Speaker, once again, we are going to let the people from northern Saskatchewan decide where, when and how they want bus service. We, as a political arm, and the bureaucrats are not going to be setting the lines for the people of Saskatchewan. We are going to allow them input into deciding where and when they want bus service. As soon as we get sufficient representation from any part of Saskatchewan, any line can be completely reviewed.

MR. THOMPSON: – Final supplementary, Mr. Speaker. Would the minister in charge of STC take it on himself to have public hearings held in northern Saskatchewan as soon as possible to see whether the citizens of northwest Saskatchewan want that route? If he will do that, could he indicate to this House when he is prepared to announce the dates for those hearings?

HON. MR. GARNER: – Once again, Mr. Speaker, we have to go back. I guess the hon. members did not learn their lesson the other day. I don't call public hearings. The highway traffic board, which is an independent arm of the government, calls the hearings. I want to clarify that point. The member for Shaunavon, the other day, asked me to intervene in a hearing. Maybe that was the practice of their government. It's not the practice of this new government.

Secondly, Mr. Speaker, with input from the citizens anything can be done to assist anyone anywhere in Saskatchewan.

Consultation Re DNS

MR. YEW: – A question to the Minister of Northern Saskatchewan. Last July 15 we asked the minister of DNS to name the local government and band councils and various northern organizations that he had consulted with prior to his dismantling of that department. The programs and the policy development have huge and wide implications for all people in northern Saskatchewan. Can the minister now provide us

with a list of people, communities, and the organizations that he has consulted with?

HON. MR. McLEOD: – If I understand the question properly, the hon. member is asking: who did we consult with as it related to the decision that we took to realign the Department of Northern Saskatchewan with line departments? Is that right? If that's question, and I've said this many times before, that is a policy decision of the government. It's a decision that we took early upon taking office. It is a way in which would deliver. We would see provincial government services being delivered to the people in the vast area of the North in a lot more efficient way than what was done by the former government. We make no apologies for that.

As it relates to consultation with northern people, we have had extensive consultation with northern people dealing with the northern municipalities Act as proposed along a continuation of a very long-term consultation that went on under the former government. I will admit that, but we found out, and the hon. member is very aware of this having been involved in some of those discussions. I will say, even taking that into consideration, the representation that we've had from those local governments and locally elected people have been that they gave the same representation regarding regional governments, regarding the northern development board, some of those things, to your government before and it fell on deaf ears. You'll find that when that Act is placed in this House under this new government, their representation has been listened to.

INTRODUCTION OF BILLS

Bill No. 42 – An Act to amend The Recording of Evidence by Sound Recording Machine Act

HON. MR. LANE: – I move first reading of a bill to amend The Recording of Evidence by Sound Recording Machine Act.

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

Bill No. 43 – An Act respecting Powers of Attorney

HON. MR. LANE: – I move first reading of a bill respecting powers of attorney.

ORDERS OF THE DAY

SPECIAL ORDER

ADJOURNED DEBATE

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Andrew that the Assembly resolved itself into the committee of finance.

HON. MRS. SMITH: – Mr. Speaker, I am very pleased today to enter into the budget debate. The last couple of days have reminded me somewhat of an Agatha Christie

novel. I think the members opposite have been wondering who did it and have quickly flipped to the last chapter. Today I hear another chapter and it's: What if?

I want to commend the Minister of Finance, the hon. member for Kindersley on a job well done, and it was a difficult task to do. The new policies and the programs of our government see us turning the corner to economic recovery. I have full confidence in the prediction that Saskatchewan will lead the way in this regard.

Mr. Speaker, my constituents in Swift Current rely a great deal on agriculture and energy-related industry. My colleague, the Minister of Agriculture, is proposing legislation which will help young farmers get established, not as sharecroppers, not as leaseholders of Crown land, but as independent businessmen. For that we are thankful.

The Minister of Energy acted quickly to restore confidence in the oil patch. Our fields in Swift Current were shut in and our people were laid off. It is going to be bringing much-needed relief to the small businesses that were on the brink of bankruptcy. The oppressive regulations and taxes of the previous administration had resulted in a stagnant and a very sluggish oil industry in Saskatchewan. That hurt my constituency, but hurt other constituencies in this province.

Today, Mr. Speaker, we look forward to the revitalization of our province and there is optimism in the people, not only in Swift Current but also in other constituencies. Our open-door policy is a springboard for action and positive changes.

Mr. Speaker, much has been said by the opposition about the deficit budget and I want to spend a few minutes addressing the point. Some members opposite refer to a sudden recession. As the Minister of Finance correctly stated in his budget speech, the Saskatchewan economy is performing better than any other provincial economy in Canada today. Our unemployment rate is only one-half the national average. Our mortgage assistance program became a model for other governments.

In defending the March budget, the member for Shaunavon was quoted in the October 20, 1982 edition of the *Star-Phoenix* as saying, "The NDP government, in making up the March budget, had not anticipated a recession." Can you believe it – October 20, 1982?

More recently the Leader of the Opposition suggested that revenue estimates are picked at random. The implication, of course, is that if estimates are high you buy another quarter section of land or another potash mine. If revenue estimates are low you squeeze the taxpayers. Either way, their government thought they won and the taxpayer lost. But not for long. Obviously somebody was out of touch.

Our government prefers to deal with real situations and real facts. The opposition appeared to dwell in fantasy and presented figures primarily on the basis of political expediency.

Let's go back, Mr. Deputy Speaker, to a few months before the NDP presented their glowing picture of government revenues from the Crown sector. What was the general perception of the economy which prompted the NDP in their March estimates to be so positive and so confident that the family would continue to flourish?

Last fall, 1982, somewhat more than 12 months ago, newspaper headlines across the

country were telling a different story, and I quote: "More Layoffs Likely in the Winter"; "Jobless Rate Up"; "Why This Recession Hits Employment Hard"; "A Dark Cloud of Unemployment," and they carried on. "Sluggish Economy," read one. And another, "How Do You Explain Santa Won't Leave Presents?" That's a year ago, Mr. Speaker. Well, the people of Saskatchewan got a late Christmas present from the NDP government at that time. We received estimates which exaggerated revenues and underestimated demands on social assistance.

The March estimates included \$106.5 million for social assistance. You see, they didn't know there was a recession on. Our estimates include \$141.6 million, an increase of \$35 million. These numbers, more than any others, show how badly out of touch they were with the economic realities facing the people of our province. I suggest, Mr. Speaker, that the March estimates were never meant to be, nor could they be.

Where was the job creation program in December of 1981, when again the headlines were reading: "Conference Board Forecasts Bleak Prospects for Canadian Economy"; "Cold Turkey – 1982 Economy Will be Tough"? Where were the programs of tax relief and interest relief for the citizens of this province? And yet, they continue to spend millions of the taxpayers' dollars to buy land, to ignore the people and to ignore the reality.

Before I turn to the social service portion of the budget, I would like to respond to some statements made in this Assembly last week by the member for Shaunavon. The former minister of social services talked about cutbacks. He cited discontinued funding to a tax service as an example of government cutback in social programming.

Mr. Speaker, I remain open to be convinced that a tax service is a social program. I will remain open to be convinced that people who have used this particular tax service will not be able to obtain a similar service from other sources presently in place. For example, Revenue Canada provides free assistance in the completion of income tax returns. The Department of Consumer and Commercial Affairs has a money management program which includes assistance in completing tax forms, and believe it or not, there are some private agencies providing the same service for as little as \$20. A cutback in social services? Hardly.

Mr. Speaker, I suggest today that social programs have been neglected in this province. The members opposite are prone to varying degrees of delusion on this regard. The inflated opinion they have of themselves, in terms of their social responsiveness, is a classic example. It would seem that the former government seemed to derive immense satisfaction from spending large sums of money on social assistance. On new programs the more that went into the administration and the bureaucracy was perhaps the yardstick of success: sums of money and the growth of the bureaucracy.

This government, Mr. Speaker, will use a different yardstick. Our success will be measured by how many jobs we create, and by how many people we get off of welfare and back into the working world and the mainstream of community life. This is what the people of Saskatchewan want – jobs, not social welfare. They want the opportunity, once again, to assume responsibility for their own lives, to make their own decisions and to chart their own course. This comes with gainful employment, not with a monthly welfare cheque.

We have inherited a costly and a poorly planned social service system. I suppose this is

inevitable, given the basic flaw in the New Democratic Party philosophy, namely, the belief that people want to rely on government and that they welcome government involvement (some call it interference) in every aspect of their lives.

Mr. Deputy Speaker, our way will be different. We will help people do it themselves and, whenever possible, let them do it themselves. The current social assistance program is built on the premise that dependency on the state is a desirable circumstance. It is a system which promotes dependency by undermining personal initiative and responsibility, and it ultimately removes our freedom of choice. It is a system which does not differentiate between the needs of an elderly or disabled person and the needs of the young and the able-bodied. It is a system which automatically classifies single-parent women as unemployable, and in doing so condemns them and their children to a life devoid of the dignity and satisfaction which comes with making one's own way in the world. Too often it is an insensitive system and too often it alienates the very people it is intended to help. Quite simply, Mr. Speaker, it doesn't work. The users know it, the staff in the department know it and the public knows it; everybody knows it except the opposition.

How did it come to this? Let me give you a few examples of what I have found in my first few months in office: regional offices which have not been visited by a minister of social services since before 1975; nobody to find out what happened in the field, what was happening on the front line with the social worker.

Mr. Deputy Speaker, we have a provincial board in this province established to review social assistance appeals – not only to review but to advise the minister on policy issues. It has not seen a minister in 16 years; ironically it is only 16 years old. There is a municipal advisory board intended, presumably, to provide grass-roots input and feedback. Since 1972 they have seen a minister two times, and that's in a decade.

There is a social assistance caseload where 24 per cent of the recipients have grade 7 education or less, but in 11 years there has been no program to provide any kind of upgrading or training for these people, and a welfare system where about one-third of all recipients are single-parent women with no plans to help them achieve economic independence. And why not? As I stated earlier, under the NDP government, they were classified as permanently unemployable. Young, healthy, energetic and bright women were automatically classified permanently unemployable. Was it the same for a single-parent man? No. There was no industrial strategy to meet the needs of those on social assistance on those about to apply. There was nothing put into place for long-term planning.

Mr. Deputy Speaker, there has been no major change in the social assistance program in 10 years. This program has been allowed to continue completely in isolation from the rapidly changing social and economic conditions. We intend to correct this. I have initiated a review of the social assistance program. This work will begin December 1 and will involve widespread consultation with interested groups and individuals.

Unfortunately, Mr. Deputy Speaker, the neglect of the New Democratic government goes far beyond this province's social assistance program. One might be able to rationalize the indifference in social assistance. It's not a popular program. Those receiving it tell me they don't get enough; everyone else tells me people on welfare get too much. In light of the NDP political expediency you could almost understand the how and the why of their indifference. But what about some other program areas? What about nursing homes and special-care homes for instance? The truth is that they are

woefully inadequate, and heaven forbid that I should be told that the opposition doesn't know that the population is ageing.

The only bright spot is the dedication of the staff in those homes and the community-minded people who serve on the boards. In terms of necessary resources, nursing homes have been starved, and I find it very ironical that the NDP, who for years have been masters at manipulating the needs and the fears of the elderly, were in fact so miserly in the funding of this area.

A quick glance at the province's capital expenditures on special-care homes in the last few years tells the story, and they are facts, they are not fantasy. The fiscal year of '79-80 was \$213,000. The next they gave \$832,000, and really loosened up in '81-82 was \$834,000. Mr. Speaker, our budget includes \$6.7 million for '82-83 construction of these special-care beds. Obviously we have a lot of catching up to do. What possible excuse can there be for the previous administration's callous disregard in this area of the seniors?

They have pleaded ignorance in recognizing a recession on their own doorstep. Will they also plead ignorance about the growing numbers of elderly people in our province? For years now it has been common knowledge, even to the man on the street, that among all the provinces, Saskatchewan has the highest percentage of people over the age of 65. The lack of action and the lack of planning I find unbelievable.

Another group, Mr. Deputy Speaker, which has suffered at the hands of the NDP neglect is the mentally handicapped. Their spring budget did not include a single cent, not a dime, for the construction of group homes for the mentally retarded adults. Today there are approximately 50 outstanding requests that have been there for a year and more. We are presently considering ways to respond on an emergency basis to the most critical situations. It is another area where there is a catch-up.

And the physically disabled, Mr. Deputy Speaker, did not fare much better. One of my first tasks last spring was to find about \$50,000 for an agency providing direct services to hearing-impaired persons, the only of its kind in Saskatchewan. The funding for this agency had been earmarked for an NDP cutback. The former minister of social services had neglected to mention it to the agency, however, before April 26. One can only assume it was on hold. The next time the member for Shaunavon wants to talk about cutbacks in social programs, I suggest he take it up with the people who run the services for the hearing-impaired persons program.

Another area where the New Democrats opted for the easy way out was in the funding of community social service agencies, commonly referred to as the NGO sector. In the early '70s these agencies began to approach governments in large numbers for funding to provide community-based social services. The services are being developed in response to needs identified in the community by the community. So far, so good. Every year a few new groups would submit their grant requests. It was easier to throw money their way than to sit down and talk to them about the services they were proposing to develop.

Let me give you a few examples of the critical questions which in 11 years of their rule have never been asked. How was the need identified and by whom? How will the service be developed to meet the needs? Who will deliver it? How will it be evaluated, and by whom? What are the objectives, and how will they be met? Is there another agency offering the same service or perhaps a similar one? Might it be feasible to provide a

wider range of related services under one agency rather than creating a multitude of separate agencies all providing similar service, often to the same group of clients? How will these agencies demonstrate accountability of the public funds being granted to them?

My department's community grant program has been described to me by users and staff alike as a bureaucratic nightmare. Accountability, priority setting, evaluation, co-ordination – none of these figured very prominently under the former administration. And I suggest to you that neither did a clear, well-defined social policy. Mr. Deputy Speaker, we intend to establish a clear policy on the funding of non-governmental social services agencies. They are an important part of the social service network. Their role needs to be properly defined. Specific policies and procedures will be developed and aimed at maximizing accountability and co-ordination while minimizing fragmentation and duplication.

So, Mr. Speaker, it seems that neither the elderly, nor the disabled, nor single parents were very high on the former government's priority list. That leaves us with children and youth. Surely their needs were not ignored in the same way.

Here's what I am being told about the services for children and troubled youth. For years now, the department has been under extreme pressure from the public, the media, and the court system because of the inadequate and lack of facilities and programs for troubled youth. There is an almost total absence of secure treatment facilities. This is compounded by a poorly developed network of community-based services. Existing facilities are in poor physical conditions and they are overcrowded. There are lengthy waiting lists there are in hospitals and nursing homes, and as there are in the upgrading and training programs.

In summary, I am being told that many seriously troubled youths are being denied services, and yet the former administration had \$6 million to advertise Crown corporations, \$35 million this year for a self-pat on the back, but they didn't have \$12,500 for a youth diversion program.

So we add children and we add youth to the lengthening list of those who are somehow overlooked in the scurry to buy the farmers' land and to expand the family of Crown corporations, and I suggest one further – to promote the NDP politicians. Let me assure you, the people of Saskatchewan, that this government will concentrate on real family, and not on the empire-building world of corporate socialism. This, Mr. Speaker, is the social legacy of the New Democratic Party. Their social policies can best be paraphrased by the words, "too little, too late."

Mr. Deputy Speaker, the allocations for social service in this budget reflect reality and our government's desire and determination to ensure that our people receive the help they need and that basic essential services are maintained.

With that, Mr. Deputy Speaker, I will be supporting the motion and the budget.

SOME HON. MEMBERS: – Hear, hear!

MR. MORIN: – Mr. Speaker, it is with a great deal of pleasure I rise in the Chamber today to participate in this debate. We have heard, so far in this debate, both the

government's and the opposition's view of the document tabled by my colleague, the Minister of Finance. A budget, Mr. Speaker, is merely a tool. It is a method whereby we lay out our plans whether it be for our personal life, our business life, or in this case, for the operation of the government. A statement of how we expect to operate in the future, that statement is no more than our understanding committed to paper of how we see the demands of society and how our priorities are reflected relative to those demands.

The appropriateness and inappropriateness of budget expenditures and revenue collection is based primarily on a view of how government ought to serve the people. A great deal of political philosophy is mere rhetoric, and we certainly hear a lot of that in this Chamber. Too often there is no similarity at all between what a politician says and his corresponding actions. Politicians have gone through a phase over the last number of years where they appear to be no more than actors mouthing words, singing phrases and then going off in a convenient direction regardless of what they say they believe. I think that's one of the prime reasons that we saw a change on April 26. In Mr. Andrew's statement, we see the synthesis of philosophy and policy into a clear-cut statement of the direction which the people of this province demanded their government to go.

Mr. Speaker, I had the pleasure of reading a speech delivered by the Leader of the Opposition in 1972. It was his first budget speech. In it he spent a great deal of time talking about all the things they were going to do which the opposition of the day claimed to be impossible. He spent some considerable time defending himself for having been in office only eight short months, and having fulfilled a number of campaign commitments. He chastised the opposition for being so ridiculous as to suggest that the government should have been able to lay out a four-year commitment in the space of a few short months.

I wonder if, as he sits in the House during this session he is not struck with a sense of déjà vu.

Mr. Speaker, an analysis of the NDP philosophy of government, based on not the rhetoric but their actions during their terms of office clearly shows that they believe in an economy driven by government. The growth in the public sector, the dominance of Crown corporations, and the intimidation of any sector of society, which did not support them, was overwhelming. Their government was marked not by respect for the individual, not by respect for freedom, but by the callousness of their political patronage.

Their stars, the crown jewels, will collectively lose money this year. Their favorite "family" will be the largest recipient of welfare in the history of this province, at the expense of people like you and me. The Crown corporation welfare bums have not represented judicious stewardship to this province, and are a prime reason why we face financial difficulty today.

The Leader of the Opposition has said that when he was premier his government continually presented surplus budgets. I suggest, Mr. Speaker, that that was the function of the bogus budgeting that he accused the government he succeeded of practising.

If in fact there had been successive surpluses, what did this translate into? To overtaxation of the public. If in fact they had surpluses, why did they take more money from the people than they needed?

Mr. Speaker, the Leader of the Opposition has stated that more than 50 percent of the people on welfare in the province today are employable. He asks the question, "Why don't they have jobs?" I suggest that he should look in the mirror and ask that question.

Mr. Speaker, I refer to a graph on page 12 in the finance minister's budget address. It indicates that only 4 per cent of revenue stems from corporate income tax. I ask the Leader of the Opposition why during the last 11 years his government did nothing to encourage the growth of enterprise, which meant the creation of jobs and contribution to society through taxation. Mr. Speaker, in addition to their lack of concern for their job creation and economic development, we see a lack of concern for the basic health care of the people in the province of Saskatchewan. Not only did our level of health care slip to eighth in the nation under the NDP administration, but it also included nearly \$1 million to advertise the anniversary of medicare – not to improve the quality of service but to advertise about how great it was.

Mr. Speaker, there's a rule of thumb that if you're good you don't have to tell people about it; they'll figure out for themselves. This is just one example of how the provincial finances have been looked after – lots of promotion and no principle.

Mr. Blakeney wonders why the people thought they were rich when they weren't. Mr. Speaker, the final analysis of the former government is that they were great believers in capital punishment. They taxed the capital of the private individual. They took that capital and set up businesses in competition with the private individual and when their businesses lost money, they went back and taxed the capital of the private individual to pay for their losses. That's capital punishment.

Mr. Speaker, the Leader of the Opposition posed a question in the House last Friday. In questioning the estimates put forth, he said, "Are they the right spending priorities for the people?" Well, Mr. Speaker, the government enacted the largest tax cut in the history of the province on May 8, putting roughly \$200 per taxpayer back into the public sector. We put another \$100 per month in the pockets of people through the mortgage interest reduction program. We have frozen utility rates for the next 12 months to ease the burden on people in this province and, additionally, we are introducing our farm purchase program to allow young farmers to own their own land, not to be tenant farmers as they were under the land bank.

In answer to the question of the Leader of the Opposition I say, yes, these were the right priorities for the people. They protect people from the serious difficulty they face due to the high cost of living, which has been inflicted upon them through no fault of their own, but through government ineptitude.

Mr. Speaker, I have a particular interest in the energy sector of this province. Again referring to the graph on page 12, we see that the oil industry contributes 26.3 per cent of the revenue received by the province, the largest single amount from any source. Mr. Speaker, common sense would tell you that you should be careful not to destroy a sector which contributes so much to the provincial economy, yet that's exactly what we found upon taking office. We found the oil industry operating at only 40 per cent of capacity, with companies going under, or leaving the province, virtually daily.

The opposition says we have given money away to the oil industry. Mr. Speaker, there was no money coming in to give away. If we had done nothing and continued with the situation that we found, oil revenue for the province would have been less than \$400 million this year. By making the changes that we made, revenue will be nearly \$450

million, a net gain of \$50 million for the provincial economy, to say nothing of the benefits that are gained through employment and the spinoff of taxation received from that employment.

SOME HON. MEMBERS: – Hear, hear!

MR. MORIN: – Mr. Speaker, the members down the line are concerned about the office of energy conservation. They know that operation has been joined with its brother in SPC so that we are now receiving the same benefit we always received and only paying for it once.

SOME HON. MEMBERS: – Hear, hear!

MR. MORIN: – I must admit that I'm not surprised that they had difficulty with this concept because the word 'efficiency' doesn't seem to be in their vocabulary.

Mr. Speaker, in summary, what we saw in the former government was a government that didn't take time to develop its people, a government that didn't take time to develop its economy, a government that built palatial office complexes to glorify itself, and spent millions in advertising to convince the people that they were fortunate to have such a wonderful government.

Mr. Speaker, before I got involved in politics, I often was required to counsel people on their financial endeavors. When such a situation occurred, I always recommended that they project their venture politically, that is, that they were conservative with their revenue estimates, liberal with their expense estimates, and had an NDP bottom line, NDP meaning of course, "no darn profit."

Mr. Speaker, this government might have understood 'no darn profit': but we can't understand the losses we inherited coming off of the 10 most prosperous years we've ever enjoyed in this province.

Mr. Speaker, we can show dollar for dollar where we eliminated waste to pay for our election commitments and prove conclusively that the budget we inherited was fabricated.

Mr. Speaker, I shall support the Minister of Finance regarding this budget.

MR. LINGENFELTER: – Mr. Deputy Speaker, I appreciate the opportunity to become involved in this most memorable budget debate and I look forward to speaking on a number of items from areas that I have accepted as a critic: namely, health and social services.

I would just like to say that it is a budget that will be remembered for a long, long time in the province of Saskatchewan. A correction – as the Minister of Finance referred to it – a correction that saw us change away from a long lien of balanced budgets for 11 years to one of mismanagement, deficits, and untold amounts of interest that will have to be paid over the coming years by the citizens of Saskatchewan.

I listened with a great deal of interest to the speakers who have spoken from the government side up to now, and I found it interesting that none of them want to talk about the budget that was presented last Wednesday. I think there is a good reason for that, Mr. Deputy Speaker. I don't think I would talk about it either, if I had delivered the

first deficit budget in 11 years in the province of Saskatchewan.

Mr. Deputy Speaker, it's not only that it's a deficit budget, but it is a horrendous deficit budget. The Leader of the Opposition mentioned that it was larger in fact than the total involved in the last year, but it is worse than that. It's 10 times the total amount of deficits that have been incurred in the past 78 years. Up till now, the total bill for deficits in the province of Saskatchewan, including the depression, including the tough times in the '60s, was about \$16 million. What we find now is that in one fell swoop, in less than eight months, the PC government of Grant Devine has run up deficits of \$220 million. I challenge the members in the government who will follow to get up and speak on the budget. I know that the members for Moose Jaw should and probably will be very interested in attempting to explain how STI's budget for construction was reduced from \$6.1 million to \$1 million.

And I'm sure that the member for Saskatoon Westmount would be very interested in getting up and explaining how the number of children in care has increased drastically in the past three or four months since the Conservatives came to power in the province. That's right, about 100 more children have been taken out of the home by the present Minister of Social Services than there were when she came to office. And I'm sure the member for Saskatoon Westmount, if she were in the House, would want to get up immediately after and speak to that point.

I listened with a great deal of interest on Friday when the member for Regina Rosemont got up and spoke on land bank and the new farm purchase program. I'm sure those are burning issues in the constituency of Regina Rosemont, but I didn't hear him talk about the cutbacks in day care and the increased cost to senior citizens in nursing homes.

Today I heard the Minister of Social Services talk about the NDP record. But I had a very difficult time hearing what most ministers do in their first budget, when they lay out a strategy of what they intend to do as minister in the coming years. Not a mention of what was going to happen; only election rhetoric which is becoming very, very boring.

I think, Mr. Deputy Speaker, that the backbenchers in this Assembly probably are less involved than ever in the history of the province, I know that in the throne speech debate we talked a great deal about the role of the backbenchers and what the backbenchers could do in caucus in determining government policy. But I think that this budget shows that they weren't doing their homework in caucus, you wouldn't find that the member for Cut Knife-Lloydminster, for example, would allow the hospital at Maidstone to be cancelled; or that the member, let's say, who represents Davidson would allow the hospital there to be cancelled; or that member from where bus services are being cancelled indiscriminately would take it and not make a fuss about it in the press. Because it's a very simple fact that if you were stand up in caucus and demand that the moneys that now go in royalty cuts be used in your constituencies you'd have a great deal more ease in the next election campaign.

Even from the opposition benches, we have probably more influence in the government than members opposite. I'll give you an example of that. We had a bus line that was going to be cut back between Swift Current and Shaunavon, Eastend, Frontier and Climax. It was announced in the paper that the acting director of STC sent a letter to all the communities in the area saying the bus would terminate on November 28, I believe that's today. I checked this morning and the bus is still going. And I want to tell you how you do it. You don't do it by sitting in caucus and being silent, or in this House reading out goofy speeches that somebody prepares for you. You have to go in there

and demand of your ministers that the project you want in your constituency are carried out. In the area of the bus service to Shaunavon, I got a letter on November 17 and I'll read part of it. It's from the Minister in charge of STC, where he cancelled the project. In part he says:

The route cannot continue to remain in its present loss position by continuing to provide unlimited services that are not being used.

But lo and behold, through pressure of an MLA and the people in the area the bus wasn't cancelled and we'll have hearings in that area. And we'll listen, when we go to the hearings of the new highway traffic board appointed by the minister, to see whether or not they agree with the people in southwest Saskatchewan that bus services should not be cut. If, in fact, the people who are appointed to that board do not listen to the people of southwest Saskatchewan, the people of southwest Saskatchewan will know who that board represents. So the members in the back benches should be very aware of the fact that they are being led down the Trudeau trail. The fact, Mr. Deputy Speaker, that the deficit being incurred in the province of Saskatchewan today is a page out of the book of Pierre Elliott Trudeau, and one which you have to live with over the next three years.

Mr. Deputy Speaker, I see we touched a raw nerve there: the fact that the former Liberal member of this Assembly is the great spender. He is able to get \$25 million or \$50 million for oil companies on the spur of the moment. He is the old Liberal who knows how to wheel and deal and who is still in the Trudeau camp. You guys can't control him. That's very simply put.

So who do you go after? You go after the people in nursing homes. You will take a little increase of \$324 a year from the seniors – 8,500 of them — \$3 million from the old folks who aren't able to defend themselves.

Mr. Deputy Speaker, the members in the back benches do have a role to play. They could play an important role in this Assembly if they would screw up their courage and get up and speak on child abuse, on children in care in the province of Saskatchewan, which is increasing dramatically since this PC government took office. But I don't think that we'll expect to hear from any of them. They'll get up and read the speeches that are prepared by some Tory hack. We won't hear the real opinion of the members on issues in their constituencies.

SOME HON. MEMBERS: – Hear, hear!

MR. LINGENFELTER: – Mr. Deputy Speaker, there are other reasons why I referred to the member for Thunder Creek and his attitude. I'll look forward to hearing what he thinks of this deficit budget, because in 1978 he had a very clear opinion about deficit budgets. I'd like to read from *Hansard*, dated March 9, 1978, in regard to what the member for Thunder Creek thought of deficit budgets at that time (page 96):

AN HON. MEMBER: – Was he sitting as a Liberal then?

MR. LINGENFELTER: – No, he wasn't a Liberal then; he was a Tory.

Mr. Speaker, in the state of Texas, the presentation of a deficit budget is against the law. In other words, Mr. Speaker, if that minister had presented Tuesday's documents in the Texas legislature, he would not be a fugitive

and with his record I rather doubt that the Texas Rangers would ever bother bringing him in for trial.

I'll tell you, if the Texas Rangers hear about this deficit, they'll be up here en masse, and they won't have a trial. They'll hang him at dawn because a \$220 million deficit shouldn't be allowed by the present minister in charge of energy and mines. He went on to say other things about that budget of the day that was a balanced budget. He went on say:

Mr. Speaker, the Progressive Conservative Party finds this kind of talk and terminology particularly alarming, since we recall very similar logic being used rather frequently in Ottawa some 20 years ago when they began the process of constant deficit budgeting. The Progressive Conservative Party believes that most Canadians remember what has happened there – year after year after year of deficit budgeting with virtually no hope that we are going to see a balanced budget in Canada of quite some time. That was 20 years ago.

So tell me that your government is not following the Trudeau trail in terms of deficit budgeting.

Well, Mr. Deputy Speaker, I think that the people were a little stunned last Wednesday when they realized that they had been taken to the cleaners by the Progressive Conservative Party. They were promised cheap gas — \$150 a year. They accepted that in good faith. In April the PCs said, "We'll give you a cheap gas: \$150 a year off." In November they tell them, "The bill is in; it's \$1,000 each family will have to take out, plus interest." The people of Saskatchewan will not soon forget that.

Mr. Speaker, I'd like now to gaze into my crystal ball for a minute, and predict some things that we see happening in the Department of Health. A disturbing trend that we see is the shifting of financing within the Department of Health — a shift that will give an increase in administration and a 13 per cent increase for doctors. We'll watch with interest to see whether other workers in that department get a similar increase. Not 5 per cent or 6 per cent for the doctors, but 13 per cent – another example of how this tough self-made crew on the other side deals with people. Do they take on the doctors? No way. They will take on the seniors in nursing homes, and they will take on the workers, but they will not take on the big boys in the oil companies or in the doctors' crew. They will take on those who are weak, defenceless, and they will call themselves a strong and tough, self-made and macho crew.

The people of Saskatchewan will not stand idly by while that kind of budgeting takes place in the province of Saskatchewan.

Yes, there are many people in nursing homes in level 4 who are weak and defenceless, and I think that for a Conservative government to attempt to take advantage of them is nothing short of despicable. The Minister of Health in his tour of the North (a member from the North mentioned it the other day) was afraid to go into La Ronge where a hospital has been cancelled, a hospital that not only would have served the needs of a very large area but would have also created a number of jobs in an area where about 80 per cent of the population is presently on welfare.

It think it is pretty obvious that the minister in health and social service, Mr. Deputy

Speaker, are lightweight ministers and can't control their departments in cabinet, otherwise you wouldn't see the kind of cutbacks that you are seeing at the present time.

Mr. Speaker, the member for Moosomin is another person I await with great interest, to see him get up and explain how his nursing home in Whitewood is coming along when he gets up to enter this debate. I'm sure that it is being announced right now and that the member will get credit for it.

Mr. Speaker, another area that we see being crushed in this cutback in the area of health in community clinics. These community clinics provide a comprehensive service of medical needs, which includes a chiropody program which is booked for two years, medical care for inmates in the provincial centres. And I think that in the past 20 years Saskatchewan has set a standard for community clinics which we now see being chipped away at in this whole mentality of An Open for Business Saskatchewan.

Another area in the health department which has been cut back is prevention. I don't think there are many people in the province of Saskatchewan, or in Canada, or in North America who would disagree that one of the main areas that should be expanded at the present time is the area of preventative health. But, what do we see here in this budget? We find between last March's budget predictions and this year's budget there is about a 50 per cent reduction, or about 30 per cent less than what was spent in 1981-82.

We see as well a cutback in health for a number of people. In the area of health the people who would look at environmental controls are also being cut back. Mr. Speaker, health in Saskatchewan is becoming number one: number one in dental cutbacks, number one in the way people are being misled about the province's stand in where we place in health care, number one in cutback in the promotion of health, and number one in the cutback in hospital construction.

Mr. Speaker, in the area of hospital construction, we have a number of projects that have been cancelled by this new government. In total, we have provincial labs, rehab centres, hospitals in Cut Knife, La Ronge, Maidstone, the provincial lab (as I mentioned). A total spending of about \$100 million has been cut out of the budget of health — \$100 million compared with the Mickey Mouse job creation program and minimum wage that was announced by the Liberal government in Ottawa and the Minister of Social Services.

I find this kind of job creating program absolutely atrocious, where you put people to work for minimum wage. But it is not new in the province of Saskatchewan. It happened once before in the '40s when there was a Conservative government I think that they put people to work, not a minimum wage, but for a little less. Maybe this was just the first step in what we will be seeing from this new Department of Social Services.

Mr. Speaker, I mentioned that there has been a large increase in the number of children who have been taken into custody by the Department of Social Services. It's up about 10 per cent from this time last year. Wife battery is up, child abuse; the number on welfare is skyrocketing from about 40,000 this time last year to 52,000 people. Thirty-five thousand of those people on welfare are below the age of 30. And I think the province is well on the way to reaping the rewards of the Tory government in the province of Saskatchewan . . . (inaudible interjection) . . .

It's very simple, I get them out of the numbers that are distributed each month by the Department of Social Services. You wouldn't know about that and I am not sure

whether the minister knows they are printed there either.

I mentioned that there were 52,000 people on welfare in the province of Saskatchewan, Mr. Speaker. I think if you look at this blind faith that the government has in the private sector, you will not be too surprised that there is a large number of people who are not working who otherwise would have been. I mentioned the provincial lab and the rehab centre and highways and hospitals, and if the government is waiting for the private sector to move in in force and build these projects, they are going to have a long, long wait.

But it is not only the public sector that is being hampered by this government. I think that IMC's announcement the other day of the layoff of 800 people will mean that there will be a good number of the private sector employees who will be coming onto the welfare roll very quickly as well. Not only people who work in the mines, but there are rumors of head office jobs being lost and many of those are showing up on welfare lines as well.

I was at a meeting the other night where a food bank was being discussed in Regina because it is becoming necessary as the line-ups at the welfare offices grown and grow as a result of mismanagement and the stoppage of building construction in the province. Mr. Deputy Speaker, I say that in three years, or two and one-half years, the people of the province will judge that kind of action of putting large numbers of people on welfare.

There is another tough group of people that our self-made and women are attacking, and that is those people on the family income plan – a plan that was set up in 1973 or '74 and became the pride of Saskatchewan and was copied by Manitoba and B.C., a program which would allow for a certain amount of funds to be paid toward each child of a working family if they didn't have enough income to survive on. This program is being cut back by \$2 million.

Another area which will go toward helping to get the oil business going in Swift Current area (as the Minister Social Services has announced) . . . But I want to give you a statistic here on the number of wells drilled which is down by about 110 wells this year compared to last. I think that the millions of dollars that was poured into the oil industry had very little effect. In the Swift Current region, for example, Canada Manpower statistics show that there is a 100 per cent increase in the number of people looking for work this year to what there was last year. So the millions of dollars that were poured into that area have done very little to improve the state of employment in the Swift Current area.

Another area that is being cut back is the Saskatchewan Income Plan, a program which would allow for \$25 for senior citizen or \$45 for a couple who are on the supplement. We see a cutback in total spending on the SIP program, in the province of Saskatchewan, the likes of which hasn't been seen before. And the minister says that there is no cutback, but she says the same about day care.

I want to tell her that there is a cutback in day care to the centres of about \$0.25 million. The day care people can count. They are not going to be fooled by rhetoric and what you are saying about increased grants. They will be able to see you, and get your policy straight on day care, because at a meeting that was held a couple of Fridays ago the minister informed the day care people she hadn't had time to read the day care policy. Well, I wonder who did the cutback of \$0.25 million to the day care centres.

The minister hadn't read the day care policy two weeks ago, but a week later she come in to the House in a budget that's announced by this government and cuts back spending to day care. If you hadn't read it, who decided that the cutback was going to occur? What I'd like to know is who is running the department - -the bureaucrats or the elected official? I say that the day care people will not stand idly by while cutbacks occur in that area.

Another area, Mr. Deputy Speaker, that is being cut back by the minister who says that there are no cutbacks in her department (and she should read the budget) is the home care program. In 1977 our government promoted and got involved in a home care program which would see four basic services delivered to seniors who opted to stay in their own homes. I think the people opposite would be very remiss if they weren't to carry on with this program, but the way it looks, the \$3 million cut in the home care program shows you where they intend to go.

Here again the Minister of Social Services went to a meeting in Saskatoon to discuss the home care program with the association of home care boards. And she had an announcement to make. It was called the recovery program, and you will all be interested in knowing about this recovery program. We had people there who were sitting on the edges of their chairs listening to this recovery program, wondered whether it was going to be the inclusion of transportation, or maybe physiotherapy, and they were utterly amazed when the minister announced the recovery program was the recovery of \$4 million from the boards back to the government. Not only was \$3 million from the boards back to the government. Not only was \$3 million asked for at that meeting, she wanted interest on it as well. This is the area where she intends to get tough in the province of Saskatchewan.

I was interested to listen to the minister today when she talked about getting in touch with the single mothers who are home taking care of their children. We will look forward to that announcement, as we have heard in Alberta and B.C. where the get-tough program is with four-year-olds, single parents, and on and on and on.

I think the list is very impressive – the casualties of the April election. There are the 8,500 senior citizens who are being asked to pay \$324 a year more — \$3 million. There are the handicapped and seniors who would use the home care program who are being asked to have their budget cut by \$6 million. There are the senior citizens who use the SIP program who are having theirs cut by \$1 million. There are the working families who get the FIP program who are having theirs cut by \$2 million. There are four-year-olds in the dental plan who are being cut by \$1 million. There is that vicious group of children between the age of 18 and 12 who these people are taking on, cutting day care grants by \$0.25 million. There are those people waiting for elective surgery in new hospitals who are being asked to save \$100 million this year on construction.

Mr. Speaker, this is short list and there are very many more. But the attitude of this government, Mr. Speaker, is like that of the elephant as he danced among the chickens: every man for himself. But it's an attitude, Mr. Speaker, that is not going to prevail for a great period of time, as it hasn't in the United States. It didn't in Manitoba and I can assure you that it won't last very long in Saskatchewan.

When people look at the whipping boys that this government has picked out – the elderly, the handicapped – they will very quickly see what kind of a government they elected on April 26. They're a little bit like the fellow who goes to work and can't deal with his boss. The boss gives him hell but he can't come back and defend himself, so he

goes home and beats his wife and kids. Mr. Speaker, I say that's the kind of government we have in Saskatchewan today. We have a group of wife-beaters and child abusers which in three years will be turfed out.

Mr. Speaker, this government is attempting to fight its deficit on the backs of the seniors and children of the province of Saskatchewan and because of that, Mr. Speaker, I will not be supporting the budget.

SOME HON. MEMBERS: – Hear, hear!

MR. HAMPTON: – Thank you, Mr. Speaker. First of all, First of all, before I even get into my text, I'd just like to say I am not wife-beater or child-beater or anything else.

I do appreciate, Mr. Speaker, the fact that we have a very small opposition over there. The comments that come from them is probably the only humor that we every hear, because we're too busy with other important business to keep up on any other humor other than that provided by those over there.

AN HON. MEMBER: – It proves their minds are as small as their numbers.

MR. HAMPTON: – Amen! Mr. Speaker, it is with an immense feeling of pride that I rise to speak in this Assembly today. I am proud to be part of a government with its ears tuned to the people of the province I am proud of our Minister of Finance because, Mr. Speaker, he was able to take hold of a distorted conception previously introduced as an NDP budget and retune it to fit the needs and the priorities of the people of Saskatchewan. And so, Mr. Minister, I would like to congratulate our Minister of Finance on a job well done.

Mr. Speaker, I am a person who believes in giving credit where credit is due, even if it is to the previous administration. However, Mr. Speaker, the longer I am involved in our new administration, the less I could ever give credit to the members opposite. I have listened to them ridicule our ministers on various occasions and now they choose to tear up our Minister of Finance when, in fact, Mr. Speaker, our minister simply made a mid-course correction by adjusting the previous budget and placing before the Assembly the true facts on projected revenues and expenses.

I know, Mr. Speaker, that the loss of some revenues to the province could not be accurately forecast due to the worldwide economic conditions. But, Mr. Speaker, I do believe that the expense could have been and should have been more accurately recorded in that previously presented budget. I suggest, Mr. Speaker, that the members opposite, along with their dislocated associates, knew full well that there were distortions in their budget, but if they were re-elected they would not have hesitated to place additional taxes on all of us to cover these shortcomings and to provide the extra capital needed to further their socialistic desires.

I am proud, Mr. Speaker, that our Premier and his cabinet, along with the rest of the members of our caucus, having listened to the people out there and that we have said: Enough is enough. I am proud, Mr. Speaker, that we are prepared to bite the bullet and make the necessary corrections and that every minister is carefully reviewing any program that may not meet the needs of the majority of the people out there. After all, Mr. Speaker, it was the people out there who expressed their support on April 26 for what we were saying. I know they believe we can and we will correct the economic climate in this province.

Finally, Mr. Speaker, I would suggest to any member opposite that before they find fault with our minister's budget or our farm purchase program, let them first think back to the Cornwall Centre, built at a cost of about \$45 million at 9.625 per cent interest locked in for somewhere around 30 years. Well, Mr. Speaker, there are farmers and other small businessmen out there who are saying, "Just give us half of that opportunity and we'll be happy."

And so, Mr. Speaker, I am pleased to see another of our election promises fulfilled with the recent announcement by our Minister of Agriculture on the introduction of a bill bringing in our farm purchase program with loans up to \$350,000 to qualifying farmers at an interest rate of 8 per cent for the first five years and 12 per cent or prime rate for the remainder of the term. This, Mr. Speaker, is real help for real people in real families. Mr. Speaker, I honestly feel that this administration has already done more for everyone in this province, in just over six months in office, than the previous NDP administration accomplished in their last 11 years of office.

SOME HON. MEMBERS: – Hear, hear!

MR. HAMPTON: – Yes, Mr. Speaker, I like to quote our phrase, "There is so much more we can be," and as each day passes, the people can see that it's not idle words. They are becoming part of it. Finally, Mr. Speaker, they know that they have elected a government that listens and cares. In closing, Mr. Speaker, I am proud to say that I support the budget as presented by the Hon. Minister of Finance. For the members opposite: I wrote my speech; it was not prepared for me. Thank you.

SOME HON. MEMBERS: – Hear, hear!

MR. SMITH: – Mr. Speaker, I take great pleasure in participating in this budget debate. I would like to congratulate the members, on both sides of this House, who have shown their interest in the document. I would especially like to thank our Minister of Finance for the thought and the content which make up this document – a document which I believe will provide to the people of this province that their confidence in the Progressive Conservative Party was well founded.

I would like to take this opportunity, Mr. Speaker, to express the gratitude of many of my constituents for the previous actions of this government, such as the removal of the gasoline tax, The Mortgage Interest Reduction Act, and the freeze on utility rates for one year. They have proven to me and to my constituents that the people of Saskatchewan have first priority.

I would also like to take this opportunity to congratulate our government on the mortgage plan for the young farmers. This plan, Mr. Speaker, will make it possible for the young farmers of this province to own their own land without the fear of government intervention in the future.

It also gives me great pleasure, Mr. Speaker, to sit with a government which is not afraid to tell the people what they are doing with the people's money. I am sure that the people of this province are well aware of where the majority of zeros present in this deficit have their origin.

I would like to speak for a few moments, Mr. Speaker, on a topic which has concerned me for many years. As we all know the favorite election tactic of the former government

was to advise the electorate that a Tory government would dismantle, or in some way destroy, the medicare system in this province. This budget, Mr. Speaker, will finally put this nonsense to rest.

The people in this province were all aware on April 26 that the health care system in this province was on its way to disaster. In my constituency of Moose Jaw, there are a great many improvements which are now long overdue. It has taken the Tory budget, at last, to grant the increases necessary to make a start in the right direction. Instead of squandering the taxpayers' money on propaganda, Crown corporations, and building fancy high rises in Regina and Saskatoon, this government is going to increase spending in education and health services.

Mr. Speaker, I am hopeful that some of the health care facilities in this province will benefit by the federal-provincial job creation program. Mr. Speaker, I will not be a part of any government which spends thousands of dollars to have an eastern firm come into Saskatchewan to take the zero out of the Saskatchewan Government Insurance Office name. Mr. Speaker, I suggest this is how we got some of our zeros in the deficit figure.

SOME HON. MEMBERS: – Hear, hear!

MR. SMITH: – Mr. Speaker, we can and I hope we will reduce much of this wasteful spending.

Mr. Speaker, we will eliminate advertising of Crown corporations and cut down on needless advertising materials such as send-outs in our power bills, telephone bills, etc. Mr. Speaker, I am sure this government does not agree with a socialist approach to government. -Mr. Speaker, I believe in a non-socialist government is capable of delivering a social justice program such as health, social services and education. And I'm confident, Mr. Speaker, the constituents of Moose Jaw South were very well aware of my thoughts on April 26.

Mr. Speaker, I was very amused whenever the speaker opposite mentioned the name of Moose Jaw today. I'm quite sure he has realized that there is a place about 40 miles west of Regina which is called Moose Jaw. I noticed the previous government in past years never mentioned Moose Jaw, and I'm very glad now that they woke up to the fact that Moose Jaw does exist. I'm sure under the present we will get some benefits.

Mr. Speaker, I'm sure if my understandings had not been known on April 26, I would not be in this Assembly today. I'm sure, Mr. Speaker, that we will get represented well in the future compared with what we were by the previous government. Mr. Speaker, therefore I will be voting for the motion.

SOME HON. MEMBERS: – Hear, hear!

MR. ENGEL: – Mr. Speaker, it's a great privilege for me to enter this budget debate. Before I get into the main text of my remarks, I'd like to just ask a question of the member for Moose Jaw South who just took a seat. And he's so concerned, he can think about it: he doesn't have to answer it. I can ask a question. Give it some thought and maybe answer your constituents back in Moose Jaw. If things have turned from bad to so good in Moose Jaw, how come phase three of the technical institute wasn't completed? How come \$6 million of this budget was redirected into some other program, maybe into

some oil well royalties, or something like that? I think you'd better take a look at what's happening to Moose Jaw rather than just read speeches that some political hack's writing for you.

SOME HON. MEMBERS: – Hear, hear!

MR. ENGEL: – In my remarks today, first of all I'd like to offer my congratulations to the Minister of Finance for his budget presentation last week, and if you were listening, I said presentation. He made things sound so good. No doubt some of the new members in this House even think he looked pretty good. What they really missed was the tension he was under. He knew he had a tough act to follow; he knew he had some pretty big shoes to fill, Mr. Speaker . . . (inaudible interjection) . . . Where are they? There's no way he could match the outstanding ministers of finance this legislature saw during the government of Alan Blakeney.

He also knew that he had to make the best of a bad situation created by this own government. And how would he do that? Very simple. Blame everything on the previous government. Paper over the cracks that they created through their own bungling, their own mismanagement, and their own dallying, and blame it on the recession, blame it on the NDP, Mr. Speaker. The minister and his Premier can talk from now until the next election, and they won't fool anybody. This is their budget. This is a Tory budget, and they have to accept full responsibility for it.

The Minister of Finance also had the long shadow of history hanging over his head. The last time Saskatchewan saw a budget like this was when we had a Conservative government some 50 years ago. He knows what happened to that government after one term in office and he knows that in this budget he was setting the stage for history to repeat itself. This government has already demonstrated that it cannot cope with management of the public affairs of this province, and come the next election they will be turned out into oblivion just the same way as their predecessors were 50 years ago.

The sugar coating on this budget didn't seem to last very long. It cracked under the analysis of my leader, and I want to congratulate the Leader of the Opposition for doing a first-rate job of exposing just how bad this budget is. This government picked on the easiest targets they could find, those who are the least able to fight back: senior citizens, minimum wage earners. Northerners, and yes, despite their words, many people in agriculture – the smaller farmer, the younger farmer, the farmer with the debt load. This government is going to do immeasurable harm to Saskatchewan agriculture by the direction they are taking.

The Minister of Finance used fine-sounding words in his speech while talking about agriculture. Those words won't hide the truth, Mr. Speaker. The truth is that the Tory government is steering agriculture on a disastrous course. What bothers me even more is that I'm not sure whether they are doing it deliberately or they don't know what they are doing. What the Tory government is doing to agriculture can be summed up in three points: they are destroying and tearing down many programs that were building a sound agricultural industry; they have done too little too late on some other programs, and, three, they are pointing agriculture in the wrong direction by their dogmatic approach to their new programs.

Let me elaborate on these programs, Mr. Speaker. First, let's look at the money allocated to agriculture. The minister of Finance bragged about an increase in the

agricultural budget. What a thumping that got during this debate Wednesday night. In fact total ordinary expenditures for agriculture are down by \$0.50 million from the budget that was introduced in March. By dipping into a couple of piggy banks and couple of advance accounts, he got the amount to be voted to a higher figure. The minister had the nerve to leave the impression that spending for agriculture was being increased. That is not the truth, Mr. Speaker, You have to look at all of the spending items under agriculture to get a true picture. Those figures show a sharp drop in total spending from the March budget. The minister must have thought he could pull the wool over people's eyes just as he appears to have pulled it over the eyes of some of his backbenchers, who still believe that there is an increase in agricultural spending.

Let me just point out the true picture. I want to compare the March budget with the Tory correction as they so called it. Ordinary expenditures – I'm even taking the Tory figures – in March were \$84,415,150, and their budget says \$85,574, 030. What about capital expenditure? March, \$5,294,000, and the Tory budget, \$5,244,000, or \$50,000 less. FarmStart advances — \$35 million in March, \$21 million under your Tory budget. Loans and advances for crop insurance and agricultural stabilization (and this is an advance account) – \$10 million in March, and here's an increase to \$30 million by the Tories. Land bank advances — \$40 million down to \$10 million. Souris Valley project and all this big money you were talking about spending for irrigation – \$757,000 in the March budget, and zero in the budget correction which we have now. Grants to the Federated Co-op's fuel alcohol plant – \$7,120,000; what happened to this project? \$44,950 blown to the wind. A total of \$182,586,000 in the NDP's March budget, and the great big increase that you're talking about and thumping about is \$151,863,000; a drop of \$30,723,000 or 17 per cent. That's not an increase, Mr. Speaker, that's a decrease. And the Minister of Finance said there is an increase in agricultural spending. All of these figures are from the budget document submitted in this legislature.

I would now like to examine a number of agricultural programs to see what has happened. First of all, the land bank. This seems to be a swear word among the 55 people on the opposite side of the House. The Minister of Finance made it official. "The land bank is going to be replaced," are the words he used. Crash, it's destroyed, done away with.

The minister says existing leases will be kept, but I wonder what he's going to do with these leases. I understand some Conservative workers have been told by the government sources that amending legislation will be introduced early by this Tory government so that they can increase their rents, from what I hear, by as much as one-third.

There are also cases of people who have had commitments from land bank prior to the election. I have been asking questions about this, but the minister has yet to give me an answer. They are commitments that have not been honored. In my regard, that's a funny way of running a government, Mr. Speaker.

Why haven't these commitments been honored, Mr. Speaker? Why do they have to destroy a program a lot of farmers seem to like? Farmers liked it because it was a good way to transfer land from one generation to another. The retiring farmers got their money and the young farmers got a parcel of land that they could afford and that they could manage. All of these farmers had an option, after five years, of purchasing the land . . . (inaudible interjection) . . . and the others who didn't like it, my good learned friend, had an option not to do this.

But look at things as they are. The Conservative Party made a promise in the last election that they would introduce a farm purchase plan. They want to keep their promise, fine; but why not keep land bank as the parallel? Why not keep land bank and the farm purchase plan? Why not let the two live side by side as good neighbors, Mr. Speaker? Do they get in each other's way? Oh, I'm glad the Minister of Agriculture is here. Do these programs get in each other's way? Why not give farmers their choice: land bank or farm purchase? What's wrong with a little bit of competition, Mr. Minister of Agriculture, what's wrong with a little bit of competition?

Why then is the Conservative government so obsessed with destroying the land bank? I would like to know. Why are they on this bloodthirsty destructive rampage?

AN HON. MEMBER: – Who saved your rail line for you?

MR. ENGEL: – Let me tell you, Mr. Speaker. If I can get your attention, let me tell you, and I'll talk about the rail line in a minute. It is because they know that a farm purchase plan can't stand up against the land bank. They're afraid of a little competition. They know the great majority of farmers, given a chance, would prefer the land bank, except maybe if they allow some of their friends who don't need the land bank to use the farm purchase plan . . . (inaudible interjection) . . . We'll find that out.

What we do know is that the land bank has helped close to 3,000 young farmers to become established on a sound basis. Some of these farmers have now purchased their land, and that's a record I'm proud of.

Now we're going to have the Tory farm purchase plan. I wish it well. I hope it does some good, But, Mr. Speaker, I am gravely concerned, especially when it is being offered as the only alternative to a good program that is being smashed to pieces. We will study the details of the legislation closely when it is tabled, and so I will confine my remarks for the moment to the broad considerations that are discussed in the budget.

What will the farm purchase plan do to Saskatchewan agriculture? The 1981 census reported the value of land and buildings on Saskatchewan farms as \$2.5 billion. That figure is probably on the low side. How much will the Tory plan increase land prices? 1- per cent? That's \$0.25 billion. 20 per cent? That's \$0.50 billion. Maybe it will even be higher than that, Mr. Speaker. Higher land prices will gobble up the increased capital in no time, and the end result is that thousands of young Saskatchewan farmers will be condemned to a lifetime of debt and interest payments that can be made only at the sacrifice of a lower standard of living for them and their families.

By contrast, the record shows land bank purchases were made under the general level of market rates and those farmers are doing well.

Now the Conservative government appears to be going after another program – FarmStart. Four thousand four hundred farmers took part in this program up to March 31, 1981 in order to boost livestock operations, irrigation operations and diversify in general. It is a good program. It has a good history. It does more good in one day than four years of our Premier saying, "Give 'er snooze, Bruce."

But what does this government do, the friends of the farmers? Capital funds for FarmStart cut from \$35 million to \$21 million. The amount of money for FarmStart

grants was cuts from \$2,200,000 to \$700,000. They say loan approvals are way down. We'll find out if loan applications are down. If so, there are a lot of discouraged farmers around since May 8.

Next, I turn to the beef stabilization plan. I note the Tory budget has reduced the amount of money needed from \$8,657,000 to \$6,857,000 – a drop of \$1.8 million. The Minister of Agriculture likely says, “good management.” Possibly, if you can accept Tory priorities. They have stopped the small farmer from participating by breaking contracts which would have allowed them to purchase 50 feeders after entering the program. But the big feedlots, their doors are wide open.

I also notice that the money for FarmLab was cut by \$200,000, and somebody is clapping about that. I suggest the amount of money actually spent will be even less than that. Tory destructiveness knows no bounds. Here is an imaginative program introduced which encourages and helps farmers to find ways of improving their operations and to increase their production. In the face of these cuts the Minister of Finance had the nerve to say, “These expenditure reductions have been made without affecting essential government services.” Not true for agriculture, in case you consider that not an essential service. But then I guess I really can't expect anything more from a government that calls a program to compensate farmers for livestock losses in a snowstorm a drought relief program.

There is one other agricultural issue, Mr. Speaker, where I find the government's stance even more disturbing. I refer to the grain transportation issue. Western Canada is at a critical juncture in our history. The Crow Rate is under fierce attack. When we were the government we provided leadership to protect the Crow Rate. At that time all the Tories had to say, in a very weak voice, was, “Me too. We will stand shoulder to shoulder with you.” During the election campaign their leader trumpeted, “Keep the Crow; let Blakeney go.” Those lines sound pretty factitious now. Now Devine's line is: Abandon the Crow; better go slow. It's a tragedy, Mr. Speaker. Since the election, the Devine government has roared like a mouse on grain transportation issues.

AN HON. MEMBER: – Where were you in Rockglen?

MR. ENGEL: – Where was I? It's a tragedy, Mr. Speaker, that the Devine government has roared like a mouse on grain transportation issues. They have said as little as they could as softly as they could. The message is clear to the Hon. Jean-Luck Pepin, federal Minister of Transport. If he gets his way and does away with the Crow he won't get any flak from the Saskatchewan Conservative government. On April 26, the second happiest man in Canada was Jean-Luc Pepin.

You must have heard what Teddy Roosevelt once advised. He said, “Talk softly but carry a big stick. The Tories are not only talking softly on the Crow by they left their stick at home. Mr. Speaker, if the Saskatchewan farmers lose the Crow Rate the Conservative government will have to shoulder a large part of the blame because of their inaction. Their heart isn't in it, Mr. Speaker.

Somebody mentioned the rail line abandonment meetings in Coronach. Let me just touch on them for a minute. I presented briefs to the Canadian Transport Commission at the hearings in Rockglen on two proposed abandonments. One of those abandonments included Big Beaver, which is represented (and I'm glad the minister is here) by the Minister of Rural Affairs. Where was he? Where was he? He wasn't at Rockglen. And I was shocked, Mr. Speaker, because I expected him to present how

much it's going to cost the rural municipalities to maintain their roads of those lines are abandoned. And I would like to inform him . . . (inaudible interjection) . . .

They sure did. The presentation that your guys made . . . The commission asked, "Why didn't you read your mail in October when we abandoned the very premise of the argument?" They said, "Don't move on these rail lines because we'll wait and see what's going to happen with the Crow debate and then you'll make lots of money and you won't need to abandon the lines." That was their argument. Exactly! I'd like to read a letter into the record that I got from a fellow that some of your members . . . If your Attorney General and your Minister of Energy were here, they'd recognize the name of the writer of this letter. And he wrote me:

Dear Allen: On behalf of the Big Beaver Rail Retention Committee, I wish to thank you for the excellent presentation you made on our behalf. Particularly we wish to thank you for not being over come by the high-priced CPR reps. Thanks again.

Signed Elmer Meek, the former Liberal candidate down there . . . (inaudible interjection) . . . Yes, sir.

Mr. Speaker, as I said, their heart isn't in it and if we lose the battle they're going to have to shoulder the blame for the inaction.

I've spent considerable time on agricultural questions, Mr. Speaker, because I'm deeply concerned about the future of Saskatchewan agriculture as a result of what this government has done and because of other pressures on Saskatchewan farmers. I see comforting articles about the way in which agriculture is shoring up the Canadian economy. Fine. But the farmer sees it from a different point of view. He sees declining prices as steadily rising costs, rising costs such as higher interest rates. Fuel costs – farmers now know how they were fooled about the gas tax savings. The farmers now know where you stand on the purple gas issue. Farm machinery and parts are a steadily worsening picture. Fertilizer and chemicals are a big part of this cost. Lime costs are out of sight and going higher. I'd urge the government to take action to work with a variety of farm interest groups to find ways of bringing down or holding down the line on farm costs.

Mr. Speaker, I would like to turn to a number of other matters that are of particular interest to me. I'm very much interested in highways programs. There was a drop of \$20 million in road construction programs, over \$5 million in the highways capital budget and almost \$15 million in northern road construction. And the Minister of Highways was trying to blame the NDP for not having enough money. He should have been blaming his own stingy colleague, the Minister of Finance. The Minister of Highways now says he is going to do great things for contractors. His performance tells a little different story.

Recently, the minister got a lot of publicity when he spoke at the Red Coat Trail, (I have a copy of the clipping here) Association meeting in Weyburn. He told them what great things he was going to do, but he didn't tell them how he shafted some contractors on the other end of the road. Last July, I happened to be at a friend of mines that has a business place in Kincaid, in my colleague's constituency, and in walks a little contractor. Let me give you this case. He won a \$1.9 million contract. It was awarded to a company called K Construction. Have you ever heard of it, Mr. Garner? They were set for the summer so they didn't bother bidding on other contracts. What

happened in July? He was told in the minister's office that that's a political road. They weren't going ahead with it. Then the minister goes down to Weyburn and brags about this Red Coat Trail. Why did he cut that \$1.9 million contract, Mr. Speaker? This is only one case among many of contractors having their summer work programs left in a shambles. No wonder the minister is now trying to make up for lost ground.

I was particularly disturbed at the government's attitude to the Saskatchewan Council for International Co-operation. I had something to do with this program earlier. The NDP government had a commitment that they would not interfere with their programs and projects. We trusted the churches and public interest groups – not the new Minister of Intergovernmental Affairs. He's going to get his muddy little fingers into that situation. He is saying that 75 per cent of the programs are political and social action. I am waiting for a list. I am waiting for a list, Mr. Speaker.

I want the minister to get his nose out of that situation and to act in a responsible way, and trust the church groups and trust the voluntary organizations and the projects they are trying to do overseas.

I am also concerned about the prospects for our Crown corporations under the evil eye of these bloodthirsty Tory policies. Now we hear, no more interest-free advances. How convenient. More money to try to balance their budgets. But the squeeze on Crown corporations by increasing their debt load – any farmers any businessman, any industrialist or financial expert, anyone with any common sense will tell you, you need to have an adequate equity base. Your debt ratio can't go too high. Advances are a way for the people of this province to put their money into the business, just like you or I, Mr. Speaker, would put money into our farming or into our business.

This budget has started Saskatchewan down the road to disaster. Plenty of good will for Tory business friends, money for their oil company friends, but no money to reduce farm fuel costs and no money for essential services. There are deficit amounts of \$225 for every man, woman and child in this province, nearly \$1,000 a family. The debt will have to be repaid in the future. Add to it more deficits and you have a real burden for the future. When the NDP borrowed money it was to build solid assets for the future, not to finance junkets to Europe by the Minister of Industry. His answers to question the other day suggest that he may have trouble finding his way out of airports.

This business of a deficit really puzzles me, Mr. Speaker. When the NDP left office there was \$200 million in ready cash. Now the \$200 million is gone and we have a \$220 million deficit. What did the Tories do with it? Where has the money gone? The government had better come clean. They are botching things up and they won't listen or learn.

The other night I was talking to some friends about this problem. I said, "Some way I have to get through to those guys." I thought of Wes Robbins, the former minister of finance. He always ended his little deal with a poem, so I had my friends help me write this poem. Let me offer these lines. I hope they will register:

I am an economist, said Grant Devine,
I will give budgets a brand new line.
Had \$200 million of extra dough
A little better than seven months ago,
But somehow, between the day I got elected

And this budget Bob has just perfected,
Things have been kind of slow.
Where the heck did all those million go?
Devine's big spenders will live to regret,
That they ever thought of a deficit.

In case there is any doubt, Mr. Speaker, I will oppose the motion.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. GARNER: – Mr. Speaker, I would like to move down the order paper to committee of the whole with leave and then return later this same day to the special order.

Debate adjourned.

COMMITTEE OF THE WHOLE

Bill No. 22 – An Act to provide for the Taxation of Freehold Oil and Gas Production

Clause 1

HON. MR. THATCHER: – Mr. Chairman, I would introduce to this Assembly the assistant deputy minister of mines, Bob Reid.

Clause 1 as amended agreed to.

Clause 2

HON. MR. THATCHER: – To the Leader of the Opposition, if I may respectfully suggest: if you ask your questions from your feet I could maybe hear them a little better. But this particular . . . I think I heard the question. All this one is, is merely making the wording consistent with what it was in The Oil Well Income Tax Act.

HON. MR. BLAKENEY: – Thank you, Mr. Minister.

Clause 2 as amended agreed to.

Clauses 3 to 7 inclusive agreed to.

Clause 8

HON. MR. BLAKENEY: – Mr. Minister, with respect to all of these clauses, how close are they to the regulations under The Mineral Resources Act for Crown royalties? Are they essentially the same sort of accounting procedures called for with the same split, with some little differences, between carry interests and working interests and the like?

HON. MR. THATCHER: – Generally they are the same, yes.

Clause 8 agreed to.

Clause 9 as amended agreed to.

Clauses 10 to 13 inclusive agreed to.

Clause 14

HON. MR. BLAKENEY: – Mr. Speaker, is this act – the powers of the minister with respect to entering premises and obtaining information – substantially in line with the powers existing under The Mineral Resources Act or like acts to collect royalties?

HON. MR. THATCHER: – The provisions are almost identical. However, in this bill the regulations protecting the confidentiality of the company are a little more stringent than in the other act.

HON. MR. BLAKENEY: – Mr. Minister, I think that the Department of Mineral Resources, under several administrations has an enviable record of keeping to itself information which it acquires, and I am not aware of any allegations that have ever been made that information has been acquired by other oil companies in a way which might have benefited a competitor. I commend the minister for including, in a fairly specific form, the confidentiality provisions, since it underlines what I believe to be the practice of the department.

HON. MR. THATCHER: – There is no connotation or suggestion that what the Leader of the Opposition says is not completely true. We are just being a little bit more specific, but the inclusions should not be interpreted as any suggestion of any abnormal act by anyone, by any previous administration.

Clause 14 as amended agreed to.

Clauses 15 to 28 inclusive agreed to.

Clause 29

HON. MR. BLAKENEY: – I'm sorry, Mr. Chairman. With respect to clause 29, do I understand this to be by regulation, and that this regulation under The Regulations Act and therefore be published in some form? Oh, no, I note it's that the Lieutenant-Governor in Council may, by regulation. I think that's fairly clear. If there is such a regulation it appears in the Gazette, and at least the public can find out who you're exempting from tax.

Clause 29 agreed to.

Clauses 30 to 33 inclusive agreed to.

The committee agreed to report the bill as amended.

ANNOUNCEMENT

Members for Saskatoon Riversdale

HON. MR. BERNTSON: – I wonder if I might beg the indulgence of the House to make a very important announcement. Judge Estey in his benign wisdom has declared that the seat of Saskatoon Riversdale, I understand, is now represented by JoAnn Zazelenchuk.

It is my understanding that she will continue to represent that seat, and my

understanding that there was a 10-vote plurality. I am sure all members will wish JoAnne Zazelenchuk, the member for Saskatoon Riversdale, a long and continued stay in this Assembly.

SOME HON. MEMBERS: – Hear, hear!

COMMITTEE OF THE WHOLE (continued)

Bill No. 23 – An Act respecting the Consequential Amendment to certain Acts resulting from the enactment of The Freehold Oil and Gas Production Tax Act

Clause 1 as amended agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

HON. MR. BLAKENEY: – Mr. Chairman, I am moving that amendment to section 5. Section 5 is the portion of the bill dealing with The Road Allowances Crown Oil Act, and the first section of section 5 simply refers to that act. The second one defines the price of oil for the calculations under that act. The second one defines the price of oil for the calculations under that act. To that subsection I have no objection. The third one in effect repeals The Road Allowances Crown Oil Act by saying that it will not apply to any oil produced after December 31, 1982. That, Mr. Chairman, has the effect of depriving the Crown of a substantial amount of revenue. I do not have a careful calculation, but I would think it is of the order of \$7 million of \$8 million a year that is collected in a year like 1980 under The Road Allowances Crown Oil Act.

I am by no means convinced that that money will be picked up in any other way, and accordingly I am moving this amendment, which has the effect of deleting subsection 3 or the new section 11 of The Road Allowances Crown Oil Act. I so move.

HON. MR. THATCHER: – Mr. Chairman, in my opening remarks on that, I would like to concede to the Leader of the Opposition that I know very well that he understands this legislation, and he understands it far better than I do. I make no bones about that. But I would like to state, once again, to the Leader of the Opposition that he is incorrect in his assertion that there will be a loss of revenue. He suggests that the province could lose \$7 million to \$8 million by removing the tax under the road allowance tax. The correct figure is that the road allowance tax presently brings in about \$13 million. Now, it would appear that the Leader of the Opposition either doesn't hear, or chooses to ignore, our stated intention with respect to revenue previously collected under the road allowance tax. The tax rates, under a new production tax and our Crown royalty tax, will be set or adjusted as required to retain the full margin of revenue, which is 1 per cent presented collected under the road allowance tax. Now, this has been stated very clearly with the industry, and I restate it today in the House a second time.

To further clarify our position, let me state that, within whatever tax or royalty rates may be set in the future, the road allowance margin of 1 per cent will clearly be there.

Mr. Chairman, in saying that I cannot accept that amendment, that I cannot agree with that amendment, I would point out to the Leader of the Opposition that other governments apparently agree with the stated position on this bill. For example, Manitoba has no separate tax for road allowance nor does Alberta, nor does B.C. for

the production of natural gas. I find it difficult to understand how the Leader of the Opposition can support simplicity in one bill, such as he just did in Bill 22, and yet, in Bill 23 he can argue for unnecessary complexity and red tape in another.

I offer the Leader of the Opposition my assurance that this bill has been drawn so that the net change in revenue is zero – zero! If we are incorrect in these assertions, and if practice should prove that we are incorrect, we will change it immediately. I give the Leader of the Opposition my assurance, and the assurance of this government and this department, that it is not our intention to change the volume of revenue either plus or minus. I ask the Leader of the Opposition to reconsider his amendment. It isn't necessary. The bill that is in front of us should do the job.

Now, I say this to the Leader of the Opposition knowing full well that he understands these complexities. I repeat: you understand them far better than I do. Therefore, I ask you to take another look at that and accept the assurances that there's no jiggery-pokey here. It's exactly what we say it is. If, by some strange coincidence, the net change in revenue is not zero, we will adjust it immediately.

HON. MR. BLAKENEY: – Mr. Chairman, I understand what the minister is saying and I accept his statement. The difficulty here is that there is, I think, a natural inclination, a totally understandable inclination, for the public to think that taxes on freehold land should be not excessive. After all, the Crown does not own the oil. That is the premise under which the bill is predicted, and what we are doing here is taking 1 per cent or 1.88 per cent or whatever that odd percentage is under the road allowances acct. It is an obscure percentage that has been paid by the oil industry for upward of 20 years. I would think – close to that, 25 years. What we're doing is saying that will not be collected in that form. The minister says we are going to collect for the freehold tax on the abutting freehold land and there is no doubt that that can work. There is no doubt that if it does work, it will cut down complexity.

The problem with it is that when people look at that tax they will say, "Look at what you're taking out of my oil in a tax. Look, you're taking 30 per cent out of my oil or 35 per cent out of my oil (or whatever the effective freehold tax will be with respect to old oil)." It will be right up there, probably even more than that. In fact, at least somewhere between 1 and 2 per cent of that will be tax, not on his oil, but on the fact that through his wells he is taking oil out from under roads and that oil belongs to the Crown.

I am sure we can set the thing so as to collect the same amount of money and I accept the minister's assurance that we will do that. I just think that there will be that natural inclination from the freehold oil owner to say, "Look what they are taking from me, and it's too much." I admit that an extra something between 1 and 2 per cent is, perhaps, not going to make all that much difference, but every bit helps in this business and, as he says, \$13 million is in effect what we are giving up under this bill and saying we have to roll into the freehold tax.

Now, I don't know what the freehold tax is, but I would think maybe in the order of somewhere between \$200 and \$250 million that you anticipate to get, and I will get the minister to respond. I will ask you a question along that line.

What we're having to do is to in effect set a tax rate on freehold oil higher than we would think justifiable in order to subsume, in order to take in, the fat that they're pumping the oil from the under the road allowances. And that strikes me as setting the state for people putting pressure on to cut the rate, and who doesn't want their taxes cut? I'm

afraid it would simply get lost. The fact that some percentage of that comes from under the Crown lands, the Crown's road allowances, will get lost and it will be harder to defend that \$13 million. That's my argument.

I will ask a question now to the minister. Approximately what do we think we would collect under the taxation of freehold oil and gas production, in give or take \$50 million?

HON. MR. THATCHER: – Mr. Chairman, in response to the Leader of the Opposition, we don't have the precise figure at our fingertips, but if he has asked for a ball-park figure, we would suggest between \$125 to \$145 million.

HON. MR. BLAKENEY: – I think that sets the stage. What we're really doing is saying we are going to collect \$125 million to \$145 million under this tax, and we are going to roll in a smaller tax. Therefore, we are going to set the freehold oil tax act at about 10 per cent higher than "it should be" and then, in that way, we will pick up the \$13 million under the road allowance tax act. Ten is a little strong, but 8 or 9 or 10 per cent higher than it should be. I'm not saying that the industry doesn't fully understand that, and for the first few years, no problems because everyone won't remember the history of it.

After a while, it seems to me, they will say, "boy, that's a high tax." Since we are admitting that it's 10 per cent higher than we think it should be, then the pressure for lowering it will be greater. Since, as I say, in part the essence of collecting taxes is that if you have someone paying a tax without demur for 25 years, you don't repeal it, then I am questioning the wisdom of repealing the tax.

Admittedly, it will bring about administrative convenience. The effect of it will be put to put at risk \$13 million. Not immediately: I'll accept the minister's assurance right away that the current group of people in the department and the current group of people with the oil companies will say, "Sure we understand that." But time goes on, and then we look at that tax rate and we say, "That's a high tax rate." It gets forgotten that it's 8 per cent or 10 per cent higher than it should be because it has subsumed another tax – a perfectly proper tax – to cover the Crown oil. That's my argument. I therefore think it unwise and, therefore, I move the amendment.

HON. MR. THATCHER: – If I may just briefly respond to the Leader of the Opposition. I accept that the Leader of the Opposition makes a valid point. That is not in dispute. But it is the philosophy and a commitment of this government that we are going to try and eliminate red tape whenever it is possible for us to realistically do so. Now, the Leader of the Opposition is aware that this bill was introduced in the summer session of this legislature as sort of a flyer. It was given first reading, and then it was presented to the industry for comment. Some of the comments from the industry are reflected in the amendments which were put forward in the previous bill. The industry does understand this.

We would like to try it this way, simply because it is going to be easier to administer. We would like to try it this way, acknowledging that the Leader of the Opposition may have made a valid point somewhere down the road. But since we are committed to simplifying things where possible, we would like to try it this way and, hopefully, it will work.

I again restate my commitment to this legislation that the net change in revenue

theoretically should be zero. I am confident that this will be the case. The extra bill? We'd like to try and get along without it. We think it will work. If it doesn't work, obviously it is an area that we are going to have to move to plug. But I accept the validity of the Leader of the Opposition's remark. I just don't agree with it.

HON. MR. BLAKENEY: – Mr. Chairman, I think I have said, basically, all I want to say on this bill. We think it unwise, although we commend the minister for his desire to simplify things. We think it's obviously a judgment call. We think that the goal of simplification is good. The risk of losing revenues down the road a bit is too great. Therefore, we would think that we ought not to do this. The minister thinks otherwise. It's clearly something on which people looking at the same facts could reach a slightly different conclusion. I therefore wish to go ahead with the amendment, but I don't want to overly prolong the debate on it. I think I have made all the points I want to.

Amendment negated on the following recorded division.

YEAS – 7

Blakeney
Lingenfelter
Shillington

Thompson
Koskie

Engel
Lusney

NAYS – 31

Berntson
Hardy
Currie
Hampton
Hodgins
Petersen
Martens
Young
Embury
Folk
Baker

Thatcher
McLeod
Schoenhals
Weiman
Sutor
Glauser
Rybachuk
Domotor
Dirks
Myers

Sandberg
Klein
Boutin
Tusa
Sveinson
Smith (Moose Jaw South)
Caswell
Maxwell
Hepworth
Johnson

Clause 5 agreed to

Clause 6 agreed to.

The committee agreed to report the bill.

THIRD READINGS

Bill No. 22 – An Act to provide for the Taxation of Freehold Oil and Gas Production

HON. MR. BERNTSON: – Mr. Speaker, on behalf of the hon. member, and with leave, I move the amendments be now read a first and second time.

November 29, 1982

Motion agreed to.

HON. MR. BERNTSON: – Mr. Speaker, with leave, on behalf of the hon. member, I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill no. 23 – An Act respecting the Consequential Amendments to certain Acts resulting from the enactment of The Freehold Oil and Gas Production Tax Act

HON. MR. BERNTSON: – Mr. Speaker, with leave, on behalf of the hon. member, I move the amendments be now read a first and second time.

Motion agreed to.

HON. MR. BERNTSON: – Mr. Speaker, with leave, on behalf of the hon. member, I move the bill be now read a third time and passed under its title.

HON. MR. BLAKENEY: – Mr. Speaker, for reasons which I have given on second reading and in committee, the group on this side of the House will oppose this bill. While we will not be asking for a standing vote, we will be asking that it be recorded on division.

Motion agreed to on division and bill read a third time.

HON. MR. BERNTSON: – Mr. Speaker, in my absence this afternoon word got out that I was involved in a calf-roping contest this Agribition. I understand that there was agreement between the two parties, in my absence, to adjourn to witness this fantastic feat this evening. I therefore ask that this House do now adjourn.

The Assembly adjourned at 4:54 p.m.