

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Tuesday, March 27, 1984

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

HON. MR. DEVINE: — Mr. Speaker, it is my pleasant duty to introduce to this Assembly, Mr. Louis Bardollet, the consul general for France in Edmonton, and his wife, Madame Bardollet.

HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Mr. Bardollet has served in several far eastern posts, including Seoul, Phnom Penh, Vientiane, and Hong Kong. Prior to his appointment as consul general in Edmonton, he served as head of personnel services for the Minister of External Affairs in Mont. He is a chevalier of the French National Order of Merit. An even greater sign of distinction, Mr. Speaker, he's a piano player. I would ask all members, Mr. Speaker, to join me in welcoming Monsieur et Madam Bardollet this afternoon.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. I know you and the other members will want to join me in welcoming to the Chamber, 10 members of the Regina Open Door Society – adults and children – accompanied by their teacher, Mary Helen Miller. I look forward to meeting these people later on. Many of these people will be new arrivals to Canada, and we hope that you are able to gain some insight into the democratic institutions which govern this country.

HON. MEMBERS: Hear, hear!

HON. MR. HEPWORTH: — Mr. Speaker, I'd like to introduce to you, and through you to the members of the Legislative Assembly, some 60 students from the Weyburn Junior High School, visiting the legislature today. They are accompanied by their teachers, Jim Nedlecov and Bill Fletcher. I understand they've had a tour of the legislature. I hope they have found that informative, and I will be meeting with them for pictures and refreshments after question period today. I would ask all members of the legislature to join with me in greeting them here today.

HON. MEMBERS: Hear, hear!

HON. MR. LANE: — Thank you, Mr. Speaker. It's with a great deal of pleasure that I ask members of the Assembly to welcome 17 grade 4, 5, and 6 students from the Stewart Nicks School in Grand Coulee. This is the second day that we have had the pleasure of students from Grand Coulee attending the Assembly. They're accompanied by the teacher, Mrs. Rose Wynnyk, and a student teacher, Miss Kelly Sanderson.

I will be meeting with the students immediately after question period, Mr. Speaker. I ask all honourable members to join with me in welcoming the students from Grand Coulee.

HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

Increase in School Taxes

MR. KOSKIE: — Thank you, Mr. Speaker. I'd like to address a question to the Minister of Education. And, Madam Minister, my question deals with the fact that both the public and separate school ratepayers in Regina are facing double-digit increases in their education tax. This has resulted, Madam Minister, from the provincial grants paid to the separate school boards are cut in real dollar figures by 991,000; that the provincial grants to the public school boards are cut by \$1.3 million.

To quote the director of education for the Regina Separate Schools, in respect to their announcement of this so-called adequate Tory government funding, he had this to say:

The unexpected drop in provincial grants has destroyed the board's budget planning.

On budget night, Madam Minister, this government claimed that it was increasing school operating grants. And I ask the minister how she squares that claim with, in fact, what is happening here in the separate school, in the public school in Regina with massive cuts.

HON. MRS. SMITH: — Mr. Speaker, perhaps what we need is a lesson how the grants are calculated and, what the factors are that determine how much a board is going to get. We, basically, in this province, Mr. Premier, Mr. Speaker . . . In this province we have a formula that is based on several factors. One is the enrolment, the per pupil cost. Another factor is the assessment at the local level. Another factor is, perhaps, the capital construction or the debt retirement. Those kinds of factors come into the formula and determine what a school board is going to receive.

What you have seen in the province, and more specially in Regina this year, is, first of all, on the average across the province a 5 per cent increase in the operating grants to school boards. Now, depending on the area, those grants will vary anywhere from 15 to 20 per cent increase, to a possible decrease. If you have a decrease, several things are going to come into play. The possibility of a declining enrolment — the Regina separate school is facing a declining enrolment in actual numbers this year. But more importantly, Mr. Speaker, the reassessment and, I might add, a reassessment, a formula that was determined under the NDP government, and that we've been undergoing a change for some time, has created the base of the problem that Regina and public boards are facing this year.

MR. KOSKIE: — Mr. Speaker, a new question to the minister. Mr. Minister, you can put forward all the formulas you want. The main fact is that the educational funding is inadequate. And, putting that aside, the quote by the separate school board member last night, she said — and I think this explains it: "This just shows where the government places education in the realm of priority."

I ask the minister now how she explains massive cuts, but what she is going to do, in fact, to deal with this question. Surely you're not going to force Regina school boards to close more schools. Surely you're not asking them to increase their education tax 13 or 15 per cent. Surely you're not going to force them to close even more schools and cut back the services to children. I ask you: what are you going to do with the educational crisis that you've created here in the city of Regina?

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — The member from Quill Lake makes light of the . . . (inaudible interjection) . . .

MR. SPEAKER: — Order! Order!

HON. MRS. SMITH: — Let me finish.

MR. SPEAKER: — Order, please. The member has been given an opportunity to ask a question, and I would suggest that he remain silent and listen for the answer.

HON. MRS. SMITH: — The formula indeed is very important, and school boards stand by that formula. They have indicated general satisfaction with the formula that determines what their grant is going to be. And that was done, I might add, Mr. Speaker, through a consultation set up under the previous Minister of Education. They said, “Don’t play with the overall formula.” So the formula does play a very key part in it. You suggest that the funding, this government’s funding, is inadequate this year. I’m going to remind you that only two provinces in Canada have met 5 per cent increase to education in the whole of Canada — Ontario and Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — All the rest are below or at zero, with a few still to be determined and contemplating a rollback, not an additional amount, but a rollback. So don’t talk to me about inadequacies when it comes to the overall funding of government. I’m not going to force those boards into anything. The determination of where those schools are going to be, when they open and when they close, is up to a local board of education. They are elected to make those decisions, and they’re tough decisions to make. You would know that if you had ever been in the position. They do not ignore their responsibility. They realize they have those decisions to make, and they also recognize that several factors come into play in whether a school is going to stay open or closed, not just the provincial grant, but perhaps the enrolment factor. Perhaps it’s the movement of the transient population away from the downtown core to the suburbs. Perhaps it has something to do with city planning.

All those factors come into play that a school board will be looking at. And that’s exactly where the decision should remain, is at that local level with the school board when it comes to the closing of schools, not the government.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — I want to point out to the minister that, referring to the Regina Separate School Board, the director of education, one Joe Holash, was doing his calculations on the basis of a 5 per cent increase. Now you are asking us to believe that Mr. Holash didn’t know the formula, and that he was therefore in error, and that if he had known the formula he would know that these cuts were coming forward. He knows the formula; he did not know the cuts were coming forward.

Do you not agree that the cut to the Regina Separate Board is because the formula, the computational mill rate for Regina, has been changed this year over the one that applied last year, and that means \$1 million lost?

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — Certainly the director of education knows the formula, as he says. What the Leader of the Opposition has ignored from my very first statement is the impact that the reassessment has had on communities, and it’s not going to end this year. For instance, a few years ago, Moose Jaw went through the same thing, and what we saw was a very major hike in the mill rate for the board of education that year when they were reassessed. Swift Current, my constituency, went through the same thing last year. They had a minus factor — a minus factor — on a 7 per cent provincial increase in education. This year they have a plus factor. They’ve been through the reassessment, and that is still the basis of the problem for Regina Catholic and Regina public boards — the reassessment.

HON. MR. BLAKENEY: — Mr. Minister, a supplementary. Are you prepared to change the educational grant formula so as to take into account the effect or reassessment, and so that boards in Regina and other places in the province will not be faced with massive cuts in school grants and, therefore, will not be massive reduction of educational services to young people?

HON. MRS. SMITH: — As I recall, I believe Regina city council had indicated that instead of phasing in their reassessment period they were going to do it all in one year. I also firmly believe that it was the Department of Education that suggested that we do the phasing in with the Regina boards over a three-year period of time. And I think that's fair, and that, indeed, is some help in getting through this reassessment.

HON. MR. BLAKENEY: — One supplementary, Mr. Minister, your government has had two years to make the education grant formula mesh with the reassessment formula — two years to avoid massive decreases in grants such as you are imposing upon the Regina Public School Board and the Regina Separate School Board this year. Are you now prepared to take appropriate steps to see that these boards get at least the same number of dollars as they got last year?

HON. MRS. SMITH: — Mr. Speaker, the Leader of the Opposition is really asking me to do a lot with that formula, including putting some blinders on when it comes to the declining enrolment and the change in populations within communities in a very large city. No, I won't do that.

Tourist Operation in South Bay

MR. THOMPSON: — Thank you, Mr. Speaker. I direct my question to the Minister of Parks and Renewable Resources, and it's regarding an application by the northern village of Ile-a-la-Crosse for an application for a lease to start a tourist operation in south Bay that I'm sure you are aware of. By way of information, Mr. Speaker, they've had this application in for approximately two years now. I wonder if the minister could indicate to the House when a decision will be made on this lease application to the northern municipality of Ile-a-la-Crosse.

HON. MR. PICKERING: — Well, in answer to the question to the hon. member from Athabasca, my department is presently reviewing that proposal, such as you are talking about, and a decision hasn't been made at this time.

MR. THOMPSON: — Supplementary, Mr. Speaker. Would the minister not agree that when a community applies for a lease to start a tourist operation, and as you have put this community off for two years, would the minister not agree that the reason for putting the northern community off is that there was another application from a southern community to also set up on the same beach area?

HON. MR. PICKERING: — I would have to take notice of that question. I know there was another application, and it's also in the mill over in my department, and a decision has not been made at this point in time.

MR. THOMPSON: — Final supplementary then, Mr. Speaker. What you are indicating, Mr. Minister, that you will be making the final decision shortly on two applications — one from the northern village of Ile-a-la-Crosse, and the other one from a southern community there that has also applied. Is this right? . . . (inaudible interjection) . . . I'll go my question again. What you are indicating then, to the House, that shortly a decision will be made on both applications — one from the northern village of Ile-a-la-Crosse, and the other one from a southern community that has also applied.

HON. MR. PICKERING: — Mr. Speaker, I'm not necessarily saying that the southern one will be accepted or the northern one. I'm saying that the department is reviewing both proposals, and a decision will be made in the near future.

Funding for Prairie Branch Lines

MR. ENGEL: — Thank you, Mr. Speaker. My question deals with the fact that Canada's railways lied to the farmers of western Canada during that long and bitter debate over the Crow rate. This morning the federal minister confirmed that the CNR and CPR will spend billions of dollars less than they promised during the Crow debate on improvements to the western rail system. A deal is a deal, and the railways have broken their end of the deal.

My question though, to the Minister of Highways, has to do with the fact that he is in bed with the railways on this issue. This past January, on the 10th, you wrote a letter to the federal Minister of Transport. You recommended that the federal money now being spent on upgrading of the prairie branch lines be reallocated to upgrading roads. What you are saying is that your government has given up the fight to save prairie branch lines. You've bought the CPR and CNR line that we should have inland terminals, and make Saskatchewan farmers haul 50 to 100 miles. My question is: why have you broken your word and sided on this issue with the railways, instead of the farmers of Saskatchewan?

HON. MR. GARNER: — Mr. Speaker, first of all, we'd better clarify who's in bed with who around here. It was the NDP that elected the federal Liberal government in Ottawa. It wasn't the Devine administration in this province.

SOME HON. MEMBERS: Hear, hear!

HON. MR. GARNER: — Secondly, Mr. Speaker, we have sent telexes. The Minister of Rural Development, the Minister of Agriculture, myself, the Minister of Economic Development, have sent telexes, have sent letters to your friend, the federal Liberal Minister of Transport, regarding some assistance for where they come in and pull out a branch line. Now, that's a railroad. I'm trying to assist you along in this.

What the problem is, is that the federal Liberal government, the federal Minister of Transport — your friends — have turned a deaf ear to western Canadian farmers. They passed Bill C-155. We didn't. You supported them by letting them become government. Let's clarify that right now. We have simply asked for funding to provide a transportation system to the people of Saskatchewan when they come in and abandon a branch line. We are totally opposed to abandoning any branch lines in the province of Saskatchewan. We do not have that authority. Your friend, the federal Liberal Minister of Transport, has that authority.

MR. ENGEL: — Mr. Speaker, I have a new question for the minister. The Minister of Highways tries to deny that his letter supports the CNR-CPR view of the grain transportation world. Let me quote a couple of short passages from a letter he wrote on January 10th — January 10th, and it was addressed to the Hon. Lloyd Axworthy, Minister of Transport, Parliament Buildings, Ottawa. It was signed by James W. Garner, Minister of Highways. In this letter you say:

It would seem an appropriate or an opportune time to pause and reflect upon the changed environment that the passage of Bill C-155 has invoked in relationship to the expenditure of the \$670 million. Some allocation of the remaining funds between the rail and the road loads may be advisable to create the greatest efficiency.

“To create the greatest efficiency.” It's right here in black and white. Spend more money on roads and less on trying to save prairie branch lines. That's your position, and that's the railway's position. And, what I want you to tell the Saskatchewan farmers is why. Why have you taken this position against the best interests of the farmers in Saskatchewan?

HON. MR. GARNER: — Mr. Speaker, you know, the opposition, they can't have it both ways. Yesterday, they didn't want roads . . . (inaudible interjection) . . . They wanted roads, pardon me. You know that member opposite even starts to get me confused after a while, because he's very difficult to follow.

You know, they say we're not building any highways. We've got a very good highway program coming down Thursday night for the people of Saskatchewan. The bottom line to it is, their friends, the federal Liberal government, do not want to put funds into the road network in the province of Saskatchewan. They still want to abandon the rail lines which they have jurisdiction over. We don't have jurisdiction over the rail lines in the province of Saskatchewan. We don't. That's quite simple. I think even you understand that.

What we have simply asked for is when you've made this decision, which we don't agree with, to abandon a branch line in the province of Saskatchewan, give us some funding to replace that with a road if you won't back off from taking that branch line. Simple as that. So far, the well is dry. Now, very hopefully, as soon as they will screw up their courage and call a federal election, we can get rid of your friends down there, and Mr. Mulroney will be the prime minister of Canada, and western Canadians will then be taken care of with an efficient transportation network subsidized by the federal government.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Mr. Speaker, there's only one well that's really dry on that side, and that's the well that is trying to . . . (inaudible interjection) . . . Mr. Speaker, I'll have to go at that one again.

The information that the Minister of Highways is giving us is very inadequate. He blames me for electing a Liberal government . . .

MR. SPEAKER: — Order, please! The member is on his feet to ask a question, and he's making statements. I would ask the member to ask his question.

MR. ENGEL: — Mr. Speaker, I'd like to say why I'm asking this next question, if I may. The Minister of Highways has refused to respond to a serious question that the farmers of Saskatchewan are concerned about, and that is rail line abandonment and increased costs, particularly in areas like Big Beaver where I've begged for your support to support that rail line. Not one word came from the Minister of Agriculture or the Minister of Highways in support of a rail line . . . (inaudible) . . .

MR. SPEAKER: — If the member has a question, I would ask him to come directly to it; if not, we'll take the next question.

MR. ENGEL: — Mr. Speaker, I'll ask a new question. A year ago, both the Premier and the Deputy Premier vowed that this PC government will open the provincial treasury to compensate Saskatchewan for the loss of the Crow rate. The Crow rate is gone as of January 1. Since that date, Saskatchewan farmers have been spending an average of 16 per cent more to haul their grain, but this budget contains not a word about Crow compensation. Doctors and lawyers get to invest in . . .

MR. SPEAKER: — Order, please! The member has had three opportunities now and has not asked a question. I'll take the next question.

Positions Lost as a Result of Provincial Budget

HON. MR. BLAKENEY: — I direct a question to the Premier. Three times yesterday, by my count, I tried to find out from the Premier how many people were losing their jobs with the Government of Saskatchewan as a result of the budget introduced by the Minister of Finance. I

ask the Premier once again: how many people have been fired, and how many jobs have been abolished in the employ of the Government of Saskatchewan as a result of the budget brought down by your Minister of Finance on Wednesday night?

HON. MR. DEVINE: — Mr. Speaker, I believe that that is about in line with budgets of 1979 and '80 where the total was 352; 1980-81 it was 273. In 1983-84 in Manitoba, Mr. Speaker, was 279; 1984-85 was 273. So, it's about a combination of full-time or encumbered positions plus part-time. And it's about consistent with both the past, and neighbouring provinces.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Is the Premier advising us that the figure which he gave of 394 are the positions which were filled or includes positions which are vacant? That's the first question. And the second question is: were the other figures which he quoted the abolition of filled positions, or the abolition of establishment positions including vacancies?

HON. MR. DEVINE: — These are encumbered or what are known as filled positions, Mr. Speaker.

ORDERS OF THE DAY

SPECIAL ORDER

ADJOURNED DEBATES

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 resolve itself into the committee of finance and the amendment thereto moved by Mr. Blakeney.

HON. MR. DEVINE: — Mr. Speaker, at the outset of my remarks this afternoon, I wish to commend my friend, Mr. Bob Andrew, the Minister of Finance, for his direction and his excitement that he provided in this Assembly on budget night. This budget was a milestone in the province of Saskatchewan and has kindled enthusiasm, not only throughout this province, but indeed, across Canada.

I'm positive, Mr. Speaker, that the members opposite had a sinking feeling as they listened to the budget on budget night. They knew it offered programs to make Saskatchewan the dynamic place that we, in this party, have always known that it could be. They knew that on budget night, and they knew it even more today, because of the support and praise Mr. Andrew has received for his budget all across this province.

JSOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Support and praise from all corners of this province, and from men and women of all walks of life. In fact, Mr. Speaker, the opposition members have called it so good that it's an election budget. As a politician, I don't think there could be a higher form of flattery that could go to a Minister of Finance that . . . (inaudible interjection) . . . Mr. Speaker, the difference is we knew it wasn't an election budget; they know that this is an election budget.

Some Hon. Members: Hear, hear!

HON. MR. DEVINE: — And I agree with him. I would not be afraid to go to the polls and to the

people of Saskatchewan with a budget that was brought down by Mr. Andrew. It certainly is a far cry, and head and shoulders above that that was brought down to Mr. Tchorzewski in April of 1982.

I wish to add to the comments of the Minister of Finance in praising the many, many folks who contributed to the development of our budget. It was a team effort. The ideas and discussions by our cabinet and caucus were invaluable, and particularly I want to say to departments and crown corporations and staff and people throughout the province of Saskatchewan that contributed: I really believe the biggest significant, or the largest, contribution was made by Saskatchewan people in our cities, towns, villages, rural communities, local governments, and by those representing various groups throughout our population. It is a budget created by Saskatchewan people for Saskatchewan people.

Not only was the content of the budget foreign to the members opposite, but so was the process. I don't recall in the history of Saskatchewan the Minister of Finance and his colleagues travelling throughout one end of this province to the other, consulting, providing meaningful dialogue with Saskatchewan people, working and building together. That's what this process is all about, Mr. Speaker. It's positive, it's grass roots, it's a process of listening, and it's a process of success.

Clearly the members opposite think differently, and they operated differently. They think smaller. They only know one way, and that's why they are small in numbers today. They have no ideas, and no new ideas, and I predict, Mr. Speaker, that they will remain small in numbers. They live in the past, and yes, Mr. Speaker, they clearly long for the past.

Mr. Speaker, the people of Saskatchewan dream of the future. They know that this is a very powerful province. They believe, as we do, that this province can not only be a Canadian leader, but a world leader. We have been blessed with natural resources unmatched anywhere in this planet, and with a very strong-will people. We now have over one million citizens that are capable of reaching for the stars, of making Saskatchewan a magical place to be envied world-wide. They just require the tools, and the opportunities, to succeed.

The budget that Mr. Andrew brought down is the start of a new era which will create brand-new opportunities in the province of Saskatchewan, and indeed all across this country. It will develop an economic safety net to bring about security for all citizens in the province of Saskatchewan.

Mr. Speaker, in the past we have seen political leaders who were determined to bring about change. I think of the late John Diefenbaker, and indeed, of Tommy Douglas, who fought to ensure social justice would be available to all in the province of Saskatchewan. When John Diefenbaker led this party in 1938, it advocated the principle of hospitalization and medicare. Mr. Douglas made those a reality in Saskatchewan, and John Diefenbaker brought them all across this nation of Canada.

Mr. Speaker, the party which succeeded the Douglas CCF did not hold the same convictions of social justice. I think the entire public of Saskatchewan recognizes that the union leaders who control the NDP today do not reflect the views of the farmer, of ordinary families, of small business – men or women – of teachers, or students, or indeed the seniors, in the province of Saskatchewan. But, Mr. Speaker, Bob Andrew does, and this government does, and the record shows it.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — We have made giant strides in overcoming the neglect of the former administrations toward health, social justice, and economic excitement, and we will continue. We are determined to ensure that every single citizen in the province of Saskatchewan is protected with a social justice system second to none in this country.

Times change, Mr. Speaker. And we have to remember, as the Minister of Finance has remembered, that, regardless of the challenges brought about by change, the basic challenge this government accepts is the following: the enhancement of opportunity for Saskatchewan people, rather than being told opportunity does not exist. An expansion of social justice, and a safety net, and new opportunities for the '80s is what we're all about. That is what this budget means. That is why members opposite fail to grasp its real significance. That's why they're out of touch with the people of Saskatchewan, and why the Minister of Finance is in touch with the people of Saskatchewan.

I want to emphasize to people in all parts of this province that we understand the uncertainties that individuals can experience in this changing world. That is why we are determined to bring about an economic security system that will allow people to live in harmony and confidence in the province of Saskatchewan.

I want to take a moment, Mr. Speaker, to put in context the budget of today. In 1982, we found the province of Saskatchewan was left unattended, and I want to identify some of the things we found, because it had a major impact on the way the Minister of Finance directed himself in the last 22, 23 months, and particularly in this recent budget.

On the morning of April 27, and as we begun to find out about this former administration, we found the following: one, a huge bureaucracy, and one that was growing. And as I mentioned earlier, and somebody in the opposition said today, an increase of 10,000 people in the bureaucracy alone from 1971 to '81.

We found high taxes, Mr. Speaker; very, very high taxes. High income tax, high sales tax, and gas tax, and commodity taxes. And we found runaway corporations, crown corporations, intruding on everybody and losing fortunes, and I just want to pause there for a minute.

The Leader of the Opposition has talked about the deficit currently before Saskatchewan, running something like \$11,000 an hour.

Well, when we came into power, Mr. Speaker, Saskatchewan Power Corporation had a debt of \$1,000,249,000. The interest on that, Mr. Speaker, 139 million per year, was \$15,868 per hour.

When we took over, Mr. Speaker, when we took over, crown corporations were losing money — \$50 million in crown corporations like SGI, plus higher and higher taxes. When we looked at the Heritage Fund, Mr. Speaker, it wasn't there. We found revenue falling, and we found revenue falling rapidly — not forecasted in the budget of 1982, Mr. Speaker, that had potash revenues going up, and oil revenues going up.

The truth was, Mr. Speaker, that the books were cooked. Towns and villages were dying. Young people were leaving. Government was running the family farm. There were serious problems in the energy business. Half of it was shut down. People were leaving. They wouldn't repair rigs. The pump jacks were idle. Housing starts were low.

Families were threatened with high interest rates, Mr. Speaker, and all across the province of Saskatchewan, farmers were threatened with high interest rates, the highest in years. Home owners were threatened with high interest rates. They went from 11 per cent, to 18 per cent, to 19 per cent in April of 1982.

There was no hope. There was no vision. There was a government that was growing bigger and bigger, and a feeling of despair. Old government, tired government, run by union leaders with old ideas, out of date and out of touch, when we took over in April of 1982.

Now, Mr. Speaker, the people of Saskatchewan said that this government, and this province, and the people in this province, can be much more. And Mr. Andrew started to work, and we started

to put together a package to help people. We decided to build on our strengths. We were going to put together an industrial strategy that was both compassionate and competitive. We were going to build on the strength of industry, and of labour, and of education, and having government help, not hinder. We were going to build on the strengths of agriculture, of mining, of energy, forestry, high technology. The kinds of things that we're strong on in this province.

So, what did the minister do before this budget? Brought in 13.25 per cent interest rates for home owners, helping 42,000 people that were about to lose their homes, Mr. Speaker. Eight per cent for farmers, for thousands and thousands and thousands of young farmers, 8 per cent money because of high interest rates. Because of the huge burden of interest rates, we removed all the tax on gasoline in the province of Saskatchewan — \$300 million to date, Mr. Speaker, \$300 million. And it accumulates. The Leader of the Opposition likes to talk about accumulating debt. Let's talk about accumulated benefits to the people of Saskatchewan because of these major tax cuts. They are adding up to hundreds and hundreds and hundreds of millions of dollars that aren't in neighbouring provinces.

A natural gas distribution system that is probably the most extensive in North America. And, obviously, we changed the royalty structure for the energy business to put it back to work. Dramatic increases in health and education. We opened up the books, Mr. Speaker, and the Minister of Finance told the truth for a change. He showed where the debt was hidden in the crown corporations — year after year after year that the debt equity had got worse and worse and worse. Millions and millions of dollars taken from crown corporations to balance the budget . . . (inaudible interjection) . . . Mr. Speaker, the members opposite ask if we're going to make it better. Just ask the people of Saskatchewan if they like this budget or if they didn't.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — The Minister of Finance got control of the crown corporations, Mr. Speaker, and we had a brand new conference that said, "There's new life in Saskatchewan. There's new life. There's excitement. There's romance."

Mr. Speaker, let me talk about some of the results between budgets leading up to this budget. What were the results of Mr. Andrew's first moves in Saskatchewan when he was only a year old as Minister of Finance? The first thing that we found, coast to coast, was excitement about Saskatchewan — optimism, hope, pride, vision, and indeed recognition of what this province could be.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Mr. Speaker, the Minister of Finance and this government inherited a situation in the middle of a recession, one of the worst ever. And we have now recorded, Mr. Speaker, some very, very interesting results and records during that recession.

Population, for the first time in our history, is over a million — during some really difficult times. People all over Canada are extremely worried. What the growth in population in the province of Saskatchewan, beating previous records, not only in the history of Saskatchewan but other jurisdictions as well.

Number two, rapid growth in the labour force, the highest in the country — growth in the labour force in the Progressive Conservative. And if you look at the history of Saskatchewan, and go back looking through the early '70s — I think it was in the early '70s — I just got a note here. The first two years of the NDP administration, 1971-72, 22,000 people left Saskatchewan. Another 5,000 left the new year. That's 27,000 people left the province of Saskatchewan in the first years of the NDP administration. They left, Mr. Speaker. Now that's going one direction as opposed to another.

During the first two years of our administration, the population has increased by 23,000 people. That's 50,000 people different, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — A 50,000 people difference. A change in a direction. Not that they just grow a little bit, and we grew a lot. We grew a great deal, and they experienced, and they administered decline, because people didn't like the vision. They didn't like the action. There wasn't any. There was a closing of mines, there was a closing of oil wells, the dying of towns and villages.

As soon as we took over, Mr. Speaker, it changed. And the record speaks for itself. The population started to increase. The labour force increase. Job-creation records were broken in Saskatchewan and, indeed, across Canada, in comparison. Saskatchewan was the only province in Canada to create new jobs in 1982. It led the nation in the labour force in 1982. In 1983 we were second in Canada, and I admit behind PEI, in new job creation. Only behind PEI, who had a fair amount of federal money.

Saskatchewan was the only province in 1983 whose average employment levels were above 1981, the only one in the country in 1983 whose employment levels were above what they were in 1981 – everybody else was below it – as a result of this minister bringing forth some brand new ideas that say we believe in homes, we believe in farms, we believe in creating economic activity, and hope, and vision, and prosperity in Saskatchewan.

The oil patch records, Mr. Speaker, speak for themselves. And I just remind anybody to look at the records with respect to drilling during this recession, land sales during this recession, job numbers during the recession, investment and, indeed, even oil reserves, as a result of the budget, the first budgets brought down by the minister.

We set records in potash sales, housing starts, nursing-home construction, new farmers, new home owners. Gasoline prices the lowest in Canada. When has Saskatchewan ever been able to say that? Never. Never. Only in Saskatchewan. Only in 1982-83. The lowest mortgage rates in the country. When have ever been able to say that?

And finally, Mr. Speaker, one of the most significant things, Mr. Speaker, is during this difficult time what did the rest of the world, or what did the financial communities around the world say about the province of Saskatchewan in terms of its management? What did they say about the management? Only in Saskatchewan did the credit rating improve. In other provinces, like Manitoba, it went down. In Saskatchewan, it went up. Only in Saskatchewan.

Mr. Speaker, let's look at the conditions. Let's go back and look at the conditions in 1982 and '83 – some of the worst conditions to hit the country, and in North America, since the depression. And members opposite know that, and the public knows it, and that's why they appreciate this man's budget.

And these kinds of records, this kind of effort, this kind of tenacity, this kind of grit was the . . . plus, plus, Mr. Speaker. We down-sized the bureaucracy by over 2,000 people – 1,000 fewer regulations; new departments of trade, economic development, tourism, small business, and science and technology; a new water corporation; a Public Utilities Review Commission; productivity research; a new committee to review therapeutic abortions; labour legislation; hydro projects – and we're only 23 months old.

Mr. Speaker, what the people of Saskatchewan and, indeed, the people of the country are starting to recognize is that in Saskatchewan there's not only a new government in this province, there is a new kind of government in the country. And I can quote some things, I suppose, that was nice for me in my riding of Estevan, but we see across the country quotes like this. This is

March 27, 1984

from Calgary:

Saskatchewan's in the money; economic activity and excitement.

In 1982, Estevan is smiling again now that the oil boom is back.

I'm proud of that, Mr. Speaker.

And just recently, I think it was yesterday:

Revived Oil Patch Attracts Firms.

A young man from Estevan who had left under the NDP administration decides to return to Saskatchewan and return to his home, and return to his community to rebuild in the province of Saskatchewan because of the new administration. And he admits the economic activity and the kinds of things presented in this man's budget.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Well, Mr. Speaker, it's one thing . . . (inaudible interjection) . . . The member talks about Manitoba; I'm going to dwell on that in a minute. Mr. Speaker, it's one thing to look at Saskatchewan and say: how are we doing today compared to how we did in the past? But, I think it's important to make comparisons. There's two kinds of comparisons that I believe are important. One is to compare what it would be like if the former administration would still be here. Let's take a look at that going into this budget.

And secondly, what is it like under the NDP administration in Manitoba? Let's take a quick look at those, because it would have a bearing on what we would do in our budget. What would it be like in Saskatchewan today . . . Mr. Deputy Speaker, what would it be like in Saskatchewan today, and I ask the question: what would it be like in our province today if the NDP were in power?

Mr. Speaker, let's just look at the general philosophy to get a feeling of what it would be like, just a general philosophy, and then we'll just see if it's popular in Assiniboia, or popular in Shaunavon, or popular anywhere — maybe in Canada.

One, the promotion of the idea of more militant labour — key, philosophical point spoken of by the Leader of the Opposition. That is a key cornerstone of an NDP philosophy if they were in government today — more militant labour. And we'd have to couch that in the budget. We'd have to do something in the budget to endorse more militant labour.

Now, that would mean obviously more strikes, Mr. Speaker, because it was endorsed by the members opposite we should have more militant labour. The NDP believes in more militant labour, and more control of the entire economy, including the government, by union leaders, and it's proposed by the Leader of the Opposition. Union leaders need more power; union leaders should be more militant; labour should be more militant, according to the NDP.

So we would have more strikes, and we would have more and more unemployed, because unions would be pricing themselves out of the market because they would have so much power. And we would continue to see things, like in 1971, '72, '73, when thousands and thousands and thousands of people did what? They left Saskatchewan. They didn't stay here; they left.

What else would we see, Mr. Speaker? We would see bigger government; we'd see more crown

corporations; we'd see the nationalization of life insurance; more government-run farms. That's standard bare policy of the NDP. If that was taken today, we'd have to provide that to the Minister of Finance and say, "I want the government to own more farms; I want you to set up more crown corporations; I want to nationalize the life insurance business, and I want labour and union leaders to have more power, and more strikes, and there'll be more militancy." Mortgage rates would be up because they wouldn't endorse the program; SGI rates would go up dramatically because they're linked to gasoline prices; and gas would go up 40 cents a gallon – 40 cents a gallon we'd have to put into the man's budget. They say, "Oh, the people wouldn't like to see gas tax removed." So, they would have to put that in the budget, and we'd have to work that around the Minister of Finance's budget.

Mr. Speaker, what else would there be in terms of philosophy? There would be a philosophy – and I just quote some of the clippings that we keep track of. There would be a philosophy – and the member from Assiniboia is very familiar with it – of condemning the United States, a philosophy of burning the American flag. There'd be a philosophy that says, and I read this quote (I think it was the *Star-Phoenix* summarized it):

. . . the condemnation of U.S. among NDP resolutions. (Well, listen to this. This is what would have to be encompassed in Saskatchewan under an NDP administration.) The condemnation of the United States (the condemnation of the United States!) over the Soviet downing of the Korean airline.

And if we would wonder why I would connect the two, well it was the NDP party that burns the American flag on the steps of the legislature in Manitoba; it's the NDP who passed a resolution to condemn the United States over the Soviet downing of Korean Airline's flight 007; and a demand for Canada to withdraw from NATO. That would have to be incorporated into the kind of mind-set the Minister of Finance would have to deal with.

And, Mr. Speaker, what else would we have to do? Well, the Minister of finance would have to put into his budget the fact . . . (inaudible interjection) . . . And the member from Athabasca knows well what this would mean. In an NDP budget we would have to close all the mines in northern Saskatchewan. We'd have to close them. In the budget that they spent \$600 million buying and opening and everything, the resolution accepted by the Leader of the Opposition is, we'd have to close all those mines and just write-off \$600 million. That's in NDP philosophy. That's endorsed by the Leader of the Opposition. That's endorsed by the members opposite. Mr. Speaker, the members opposite call me a liar. They call me a liar when they pass that their party resolution to close the mines in northern Saskatchewan, as if they didn't spend \$600 million, and they decide to close them.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — When you add it up, Mr. Speaker . . . When you add it up, Mr. Deputy Speaker, when you add it up, if we had to, imagine Saskatchewan in 1984 under the NDP. It's dismal. It's without hope. It goes back hundreds and hundreds of years, both in terms of philosophy, and in terms of vision, for what any man or woman could be. It's despair, and it's despicable. It has no sense of direction. More and more control of people's lives in a bigger and bigger bureaucracy to help who? Union leaders. The corner-stone of the NDP philosophy – union leaders, militancy, radicals. Radicals. Mr. Speaker, that's the first comparison.

The second comparison that I want to get into is: let's take a look at a province that is under the NDP administration prior to going into this budget. 'Cause we had to look at what was possible there. Let's take a look at it and see what it's like.

In 1982-83 the New Democratic Party of Manitoba did this in their budget – imagine a party

that sits over there and says their number one priority is job creation for the little guy and small business, and job creation is very important. Do you know what their counterparts do? I mean, this must be indicative. I will compare my counterparts across the country. There is one that we can compare with.

A brand new well-thought-out idea of a payroll tax on employers that hire people. A payroll tax. Employers, small and little businessmen in the province of Manitoba, have to pay the government 1.5 per cent on their employees' annual salaries and benefits. An employer who creates a job, if you're bright enough and energetic enough in Manitoba to create a job, you are penalized. That's the kind of imagination, Mr. Speaker, that we see under the NDP in our neighbouring province. And that's all we have to compare it to. Either we can compare it to the past here, or we compare it to the present over there.

A new special corporation tax was introduced; the increase to provincial tax on insurance premiums from 2 to 3 per cent; instituted a special surtax on all people, men and women, whose salaries were above \$37,000. They increased the sales tax from 5 to 6 per cent. Sales tax, Mr. Speaker. If we were of that view and we were putting together a budget, we would have to do that, and the Minister of Finance would say, "Well I have to increase sales tax because farmers would like that, and consumers would like that. The unemployed would find that very attractive. An increase in sales tax. Wouldn't they find that good? Isn't that fair?"

Increase the gas tax from 6.4 cents a litre to 7.5 cents a litre. They increased the diesel fuel tax from 7.3 cents per litre to 8.6 cents a litre.

Mr. Speaker, this reminds us of what it was like in Saskatchewan, and what it would be like in Saskatchewan if the NDP were here today. Bigger government and higher tax. Bigger government, higher tax. Who is that for? Who's the boss? Who's the king maker? Government is the king, and the people are second.

We have been trying, Mr. Speaker, and I use that as an illustration to turn it around and say that people finally, in the province of Saskatchewan, are first, and government is second.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — For 1982-83 we see the deficit in Manitoba growing, not declining. In '82-83 the budget deficit in Manitoba was almost half a billion dollars, that one year alone. Virtually the same population as the province of Saskatchewan. In '83-84 the budget deficit in Manitoba was expected to be 579 million. Their credit rating is declining under the NDP in — Mr. Speaker, I say, what are they trying to do? They're raising taxes, making it more comfortable for the government to get more and more money. They raise tax, they've employee's tax. They discriminate against employment. This is the NDP philosophy, and anybody else who kind of endorses it should take a look at it.

And what does it do to their deficit? It increases it to be one of the highest in the prairies, or the highest in the prairies. It will be over a billion dollars, easily, in accumulated deficit. One of the highest per capita, and percentage-wise or per capita-wise, we dwarf the debt here. We are very tiny, very small. That's why we are respected internationally for what we're doing to encourage economic activity, to bring people in from Manitoba, Alberta, or any place else, that want to come home, as opposed to increasing tax, disincentives for employment, and making it more and more difficult.

And I could go on in terms of comparisons, and if other people want to look at them, you can make some pretty solid comparisons in terms of mortgage rates, tax levels, cost of living levels. The price of gasoline is about 40 cents a gallon higher in Manitoba than it is here. That's a lot of money. That's \$200 per driver — \$200 per driver. In a family of three, (the average family) that's \$600 a year that you don't get in Manitoba, but the deficit's getting bigger and bigger and bigger.

They're not even cutting it.

Well, I make those comparisons, and I make another comparison, Mr. Speaker. When we look at percentage increases, and I believe this is important when other people are studying it across the country. Somewhere you'll see, yes, but in February or in December or something, the percentage increase in job numbers, and the percentage increase in the cost of living, or some other percentage, was better than it was in the province of Saskatchewan. And that's true. The percentage increase in the number of people working might have jumped in Newfoundland, and they have 24 per cent increase, 24 per cent unemployment, and they may have got some more people working, and God bless them.

But before you decide to jump into Newfoundland, look at the level – not only the percentage increase. And I say the same to anybody else when they're making comparisons. Before you decide to jump into an NDP administration or province, look at the levels.

I can think of a lot of reasons that I would not move to Manitoba, not because the province isn't great and has many good people and solid resources, but just because of the administration. Manitoba can't say that they have the lowest unemployment in Canada, and they have the same kind of economy as we do. They can't say that they have the lowest gasoline prices in the nation. They can't say that they have the lowest interest rates in Canada. They can't say that they've got the lowest utility rates in the nation. They can't say they have the lowest bankruptcy rates.

And they can't say that they have excitement and romance and hope and vision to build, compared to the province of Saskatchewan in two short years. And there was eight years of NDP administration, four brief years of Tory, and then NDP in Manitoba. A significant impact on that province.

In two years, what the Minister of Finance has done is something absolutely tremendous. I think it's important, Mr. Speaker, and the Leader of the Opposition pointed something out with respect to Manitoba yesterday. I want to point out that I believe that it's fair enough to look at all the figures, but it's not fair just to look at part of the figures. The labour force statistics are out, and employment statistics are out for February of 1984 versus 1983. And the Leader of the Opposition pointed out yesterday that young people, and I'm assuming he means 15 to 19, suffered a decline in employment in the province of Saskatchewan.

Well, he failed to talk about the rest of the table. I want to just point out that in total, 25 years and over in the province of Saskatchewan, from February 1983 to February 1984, there's an increase in the labour force of 8,000 people in the province of Saskatchewan, and an increase in the employed people. Employed. Total. But he didn't look at the total. Of 24 or over, which is all the labour force that has families – moms, dads, and the rest of it – a net increase of 7,000 people in the province of Saskatchewan.

Now, he took one segment. He said 15 to 19 – oh, it's going to be a decline. Well, I look in the labour force and there's 3,000 less people in that category in the labour force – in the labour force. They've backed out of it. They're going to school. People like my daughter in grade 10, 11, and 12, so forth – 15 to 19. But that's the one the Leader of the Opposition focuses on. If he looks at the total, it's up in Saskatchewan. And for the category that really counts in terms of the moms and dads and the kids – 25 and older – it's up 7,000 people, 8,000 in the labour force.

Well, Mr. Speaker, I think it's important that we make these comparisons, because people do compare as they travel across Saskatchewan. I know that the media does, and when they travel across Canada to find out what is it like in other jurisdictions and what is it like here.

One other point about the province of Manitoba and the province of Saskatchewan, and one

thing that the Minister of Finance had to look at very carefully. The federal government spends a great deal of money across Canada on various kinds of projects. Approved projects by the federal government are based on various kinds of projects. Approved projects by the federal government are based on various kinds of formulas. It's based on the province's economy, and it's based on the unemployment level. Federal documents project that 70 per cent or more of the 2 billion allocated to go to the provinces are going to largely go to Quebec and Ontario.

Let me give you the per cent that's going to Saskatchewan – forecasted to go to Saskatchewan. Now this is based on the fact that your economy is either strong or weak, and you have large or low unemployment. Saskatchewan will get 1.1. per cent of the total. Manitoba has received, and will receive, four times that — \$80 million, Mr. Speaker, \$80 million that's going into Manitoba. And people say: well, why don't 'you spend some more money on economic activity, and make government programs? The federal government has an additional \$80 million. It goes lock, stock, and barrel into a province like Manitoba, under NDP administration, for two reasons. Why? The economy is no damn good, and there's high unemployment, and they're worried about it.

We look at B.C. getting 17 per cent, Ontario getting 18 per cent, and Quebec getting 33 per cent of that \$2 billion. What does the province of Saskatchewan get? What does the Minister of Finance have to deal with, from the federal government? – 1.1. per cent. Well, Mr. Speaker, given that backdrop, given that background – what we were in the past, the disasters in the '70s – what it would be like if we had to administer this province on an NDP philosophy, with militant labour union leaders; what is it like in a neighbouring province that has that kind of administration – and what we could be – our Minister of Finance put together what I believe is one of the most dynamic budgets in the history of this nation.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — This budget, as I mentioned earlier, received the attention of people all across this province, and they agreed that we should build on our strengths. And the strengths are clearly in agriculture, and energy, and mining, and tourism, research and development, processing and manufacturing, high technology.

They said, "Be responsible. Make sure that that deficit doesn't get out of control; bring it back down towards a balanced budget." They said, "Be progressive on one hand, and be conservative on the other. Make sure that you provide those kinds of programs that are needed by seniors, by young people, by handicapped, or by those that are less fortunate. Look after health, look after education, look after the social programs, but make sure that you do it right. And at the same time, be very conservative when it comes to providing economic incentives to people who go to work, and particularly with tax cuts and tax incentives." This province was being watched by other administrations when Mr. Andrew was putting together his budget. They wanted to see if there was continuity. We said that we had a strategy, an industrial strategy when we begun, and now they're watching to find out, Mr. Speaker, if that strategy will continue. Will it continue? . . . (inaudible) . . . continue in investment? In excitement? In growth? And in jobs? And indeed, the kind of records that have been set in 1982 and '83?

Mr. Speaker, we removed the gas tax, as I mentioned. One of first things in this budget that the Minister of Finance did was say like . . . And 12 minutes after he started to speak in this budget, he eliminated the tax on processing and manufacturing businesses in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Imagine that, Mr. Speaker. Imagine that. On the heels of removing all the

tax on gasoline in this province, minutes after he stood up in 1984 in his budget, he removed all the tax on processing and manufacturing businesses in the province of Saskatchewan. One fell swoop. Clearly the lowest income tax level anywhere in Canada with respect to processing and manufacturing.

And, Mr. Speaker, that is based on strengths – processing and manufacturing; the food business. Agriculture is very important in Saskatchewan, the food business, and processing, manufacturing. Mr. Speaker, a 10 per cent provincial tax is wiped out in one shot. In addition to that, to encourage investment in this province and the reduction of tax, venture capital, Mr. Speaker, to provide a 30 per cent income tax break for people all across Saskatchewan. An income tax break that has never been done in the history of this country.

Mr. Speaker, if the members opposite think that no tax on gasoline is a generality, I invite them to buy all their gasoline in Manitoba. Why don't they all go to Manitoba and buy their gasoline? Why don't they take their processing and manufacturing plants over to Manitoba and pay the employment tax? Not only a 10 per cent tax, but an employment tax on top of it. Where are the new processing and manufacturers in one of those provinces?

From a 30 to a 50 per cent saving in income tax in the province of Saskatchewan. The first time ever administered by the federal government in this province, and in this country, brought into this province. In research and development, processing and manufacturing, and tourism. As the Minister of Finance said earlier, we want to build on those strengths, and we will continue to build on those strengths.

The third venture capital program, Mr. Speaker, was in the livestock business. I am particularly proud of the Minister of Finance in that he can stand up in the province of Saskatchewan and say, "That is the single largest tax break in the history of this province for agriculture, and one of the largest in the country."

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — As members opposite very well know, we export hundreds of thousands of feeder cattle out of the province of Saskatchewan, and nobody ever thought, or at least nobody would care to have the courage to administer a program that would have us feed those here. Not a tax break. In fact, they tried to apply sales tax to feedlot operations all across Saskatchewan, particularly those on the co-ops.

Mr. Speaker, for the first time we have a federally administered tax program to encourage the feeding of livestock here in the province of Saskatchewan, and not just beef. It includes hogs and it includes land. Farmers, people throughout rural Saskatchewan, indeed people all across Saskatchewan can now look forward to significant tax breaks in these areas if they want to invest in the province of Saskatchewan; but he didn't stop there. The Minister of Finance carried on and said, "I think that the kinds of costs the farmers are running into these days deserves some serious attention." He removed all the sales tax off power bills going to farms and homes in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — I throw that out, compared to what was going on in the past in the province of Saskatchewan, and as my hon. colleague said, compared to what's going on in neighbouring Manitoba under an NDP administration. Anybody is invited to check and compare. In terms of sales taxes either being eliminated or reduced here, and, in fact, increases in the neighbouring province.

And in addition, to make sure that people could feel more secure under some difficult economic times, particularly with interest rates, the minister said the Government of Saskatchewan will pick

up the tab for education tax on property on the home quarter for Saskatchewan farmers.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Mr. Speaker, the Minister of Finance is very, very much aware of the kinds of difficulties that farmers face across this province. As a result, he set up a farmer-operated, government-funded program for farmers that are in some difficulty, putting \$4 million, and that program is the beginning, Mr. Speaker. It is the beginning in two ways. One: of farmers administering a program to help themselves, and Mr. Speaker, to provide for a province-wide monitoring mechanisms of farmers talking to farmers to make sure we can, wherever possible, provide funds for farmer that are in trouble, administered by farmers, and funded by the provincial government.

I can't think of another program that has been initiated in the province of Saskatchewan, or in other provinces, that would allow farmers to take government money and talk among other farmers. It's farmers talking to their peers, to understand the problems of finance, and of debt, across this province, and administer those funds, beginning with \$4 million. I've never seen another program like it either in this province or any place else, and I congratulate the Minister of Finance for having the compassion, and the will, and the courage, to allow that system to happen.

Mr. Speaker, let me turn to something that I think is extremely important — extremely important in the province of Saskatchewan today as a result of the budget. For years and years and years in this province people could not invest in the province. The NDP administration set up scores of crown corporations, but they wouldn't allow people to invest. For years and years and years, people in the province of Saskatchewan could not invest in Saskatchewan. Only crown corporations or multinationals or big government could invest in this province. Never before. The former administration that set up crown corporation after crown corporation but never allowed people in Saskatchewan to invest. Well, now a new investment vehicle are in place in the province of Saskatchewan that allow people to invest here they were forced to buy Canada Savings Bond. They were forced to buy registered retirement savings programs, and where did the money go? Where did all that money go that was coming from Saskatchewan to be invested? It went into banks in Toronto, and it ended up in banks in New York.

The new investment vehicles that the Minister of Finance is putting into place for our residents in the province of Saskatchewan, and the incentives we are providing for business and industry, will make Saskatchewan one of the most exciting places in North America to invest. And Saskatchewan people are first, Mr. Speaker. They are first to take advantage of it.

In the past, Saskatchewan residents have had few alternatives but to invest their savings in financial vehicles that took their money out of the province. And that's a crime. Why should the money leave the province of Saskatchewan? Why couldn't we invest in crown corporations or in resources in Saskatchewan, whether it was through the stock market, basic bank accounts, registered retirement savings programs, the Canada Savings Bonds, or term deposits? Money in Saskatchewan, investment in saving dollars of our residents, left, like people — left to create jobs in economic activity and wealth elsewhere in Canada and, indeed, elsewhere in North America and the world.

Now, because of the Minister of Finance, and because of the imagination and the initiative contained in the budget, other government endeavours, a new range of investments will take place in our province because we now have investment vehicles and investment instruments.

I mentioned the Venture Capital Tax Credit plan, the new savings and investment bonds, the livestock tax credit, industrial incentive programs to provide one-time payments of \$7,500 for each new firm in a job, elimination of the corporate tax in small business, but particularly, Mr. Speaker, the bonds.

Never before in the history of the province have Saskatchewan people been allowed to invest in crown corporations like Sask Power and Saskoil. And because we couldn't, we were losing on two fronts: one, our investment dollar has left Saskatchewan to create wealth and jobs outside the province; and, two, that we had to borrow from outside. We again saw all the benefits going outside of our borders with no tangible return to ourselves.

In a way, the previous administration ignored the local community. They ignored local people. They wouldn't buy local. They wouldn't encourage local people to invest locally. They would only allow themselves, through large corporations or the multinationals, to invest. Now, for the first time in our history, people in Saskatchewan, indeed in Gravelbourg, and Moose Jaw, and Kindersley, and Assiniboia, in North Battleford, in Nipawin, in Shellbrook, in Shaunavon, in Brownlee, can invest in corporations in Saskatchewan for the very, very first time.

Mr. Speaker, the impact of the Minister of Finance's budget on growth in Saskatchewan, on investment, on economic activity, on the attitude of people in this province, is just beginning to take hold.

Mr. Speaker, the impact of the Minister of Finance's budget on growth in Saskatchewan, on investment, on economic activity, on the attitude of people in this province, is just beginning to take hold.

The government's job creation initiatives in 1984-85 will be positive, and one of the most powerful areas that you'll see across Canada. Major job creation initiatives in 1984-85 include 11 specific programs added on to the past and some new ones now: youth employment entry programs, \$2.50 an hour wage subsidy, for 11,000 new jobs; summer employment scholarship programs, \$4.25 an hour wage subsidy, for 130 more jobs; Opportunities '84 to continue on, for 2,600 more jobs; the Saskatchewan Employment Development Program, \$4.25 an hour subsidy, for another 1,500 jobs; careers corporation on-the-job training for provincial people, \$4.25 an hour subsidy, for another 300 jobs; senior home repair programs, maximum \$1,000 grants, for another 1,600 jobs; rental incentive programs, for another 585 jobs; Venture Capital Tax Credits, estimated to generate, at a minimum, 1,000 jobs; the industrial incentive program, \$7,500 grant for each new job, another 1,500 jobs; capital expenditures and crown corporations to generate 9,000 jobs; and the venture capital in livestock, Mr. Speaker, which has the potential to generate anywhere from 1 to 10,00 jobs in the province of Saskatchewan.

The government's job creation efforts in 1983-84 have resulted in Saskatchewan continuing to have the lowest unemployment rate in the country, 7.4 per cent, and well below the average of the nation of 11.9. And I forecast, as a result of what the Minister of Finance has been doing, that we will continue to lead the nation in job creation and unemployment in 1984 and '85.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Mr. Speaker, the kind of imagination that the Minister of Finance has brought to this province, as a result of his budget, will go down in history as one of the milestones in economic direction and new direction in this province and, indeed, in this country. There is no limit, like there would be on rebates or grants. For example, \$25,000 a head tax break is limitless. Whether you have 100 head, it's \$2,500; if you have 1,000 head, it's \$25,000 write off tax payable administered by the federal government. Never been done before in the history of this province or, indeed, the country.

Mr. Speaker, that will encourage people to take money out of their sock, out of savings, out of Canada Savings Bonds, RRSP, invest in Saskatchewan. It is powerful, and it is limitless.

Two things will happen, Mr. Speaker. One, more and more people will begin to move in the province of Saskatchewan to invest, because of the venture capital break, and because of the livestock break, and because of the major tax incentives for processing, manufacturing, and,

generally, the cost of living – they will come.

Second, I forecast that other jurisdictions will begin to follow suit because if they don't Saskatchewan will move ahead in quantum leaps into the future. Mr. Speaker, what the Minister of Finance has done in this country: they say, if Ottawa won't lead, somebody has to. If the federal government brings out national energy programs and FIRA (Foreign Investment Review Agency) programs and all kinds of things that don't recognize Canadian strengths, Saskatchewan strengths, and the people's strengths, then somebody has to. And this budget you see here today is one of the most forward-looking, broad-ranging budgets, not only in the history of the province but, indeed, in the history of the country.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — And I say to the members opposite: mark that budget down on the calendar, and look a year later, and a year later, and a year later, and so on down. Because the people of Saskatchewan, indeed the people of Canada, have not yet really understood the impact and the significance of what that budget is going to do.

It will provide more income, more capacity, more depth, and more breadth in Saskatchewan agriculture, Saskatchewan mining, Saskatchewan tourism, Saskatchewan research and development, than has been seen in years – not only in Saskatchewan but, indeed, right across the country. Because it is limitless. It just depends on people having initiative. It says the Government of Saskatchewan trust the people. It trusts the rancher, it trusts the farmer, it trusts the small businessmen, it trusts young people. It says the government won't do it; it says the people can build – the people can build.

And if you get out of their way and off their back a little bit, as we have in many industries, then you can see that kind of growth. And once they start to realize the strength and the breadth and the depth of what's in that budget, you're going to see dramatic and significant changes in the province of Saskatchewan.

So I say in summary, Mr. Speaker, the days of Saskatchewan taking a back seat to any other province are over.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — And further, we intend to be leaders in many fields. We intend to see Saskatchewan envied throughout Canada and, indeed, throughout the world, and we never get tired of trying, and trying very hard, to be world class. And why shouldn't Saskatchewan say: we're number one? Why shouldn't Saskatchewan try to be number one? And if we have some successful records, why shouldn't we look at those with some pride?

Mr. Speaker, people have been looking for that pride for a long time in the province of Saskatchewan and they couldn't find it, so they left. We have a diverse and productive people, one million strong today, for the first time in our history, and they've got the bit in their teeth. We have land, we have natural resources and now, finally, we have a government that listens. We have the capability to expand and diversify our agricultural base to help feed, indeed, a growing world population. We have supply of energy which is now just reaching towards its potential. We have fresh water which becomes the world's critical resource, and to which we are bringing some co-ordinated and sensible management.

Mr. Speaker, our government has taken steps to ensure that Saskatchewan benefits from the unfolding technology and informational era that's upon us. We often forget that Canada is one of the major investors in the world. Well, Saskatchewan will now be a place to invest, and we'll ensure our citizens have that opportunity. We are setting a course which reaches for the stars.

We are developing an economic and social justice system which encourages individuals to reach up and to attain those goals and ambitions, wherever they may be.

We are taking government off the backs of the people and out of the pockets of the taxpayers, and demand that government travel with our citizens, travel together, to build a better province.

Mr. Speaker, we are not throwing out the values of the past. That is not the Progressive Conservative way. We are protecting the values of our heritage that need to be protected, and we are bold enough to change the things for the future that need to be changed. Compassion on one side, Mr. Speaker, and very, very powerful competition on the other.

We are determined to build on those values of our heritage and the heritage of Mr. Diefenbaker. And this budget is just one building block in that long road. It encourages ideas. The Minister of Finance has encouraged diversity. He's encouraged individual initiative, and he has encouraged people to create wealth in the province of Saskatchewan. It is a giant step towards making Saskatchewan a province in which anyone's dream can be realized. It's a corner-stone in developing a Saskatchewan in which all people have a place and feel a sense of pride in that place. The budget is not a bureaucratic plan of control; it's an industrial strategy to allow people to develop their talents. It is a wave of fresh air of individual freedom. It is not the be-all or the end-all, but is the opportunity for our province and our people to achieve creativity and diversity.

And it's not the final step. This budget will have taken the first step towards allowing all people in the province of Saskatchewan to fully participate in building this province and, above all, in ensuring all citizens can share in a stronger and better Saskatchewan. It is not the end of our journey, Mr. Speaker, it is only the beginning. And I say to the people of Saskatchewan, let's move forward with enthusiasm and determination. Together we can become the home of our dreams.

Mr. Speaker, I am very glad to endorse the budget that was presented by the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DOMOTOR: — I would like to congratulate the Premier on his speech regarding building on our strengths in the province of Saskatchewan. It is indeed a privilege to be able to hear that kind of positive tone that we haven't heard in Saskatchewan for a long time, the years from '71 to '82. I would also like to congratulate my colleagues who have spoken on the budget thus far. They have done an excellent job in promoting the budget and the positive aspects that we have in it.

I would also like to congratulate the Minister of Finance on his budget presentation. He has done an excellent job, and the emphasis he has placed on agriculture, and tax credits, and on education are totally in keeping with the promises that this government has initiated. The fact that we are intending to go more towards the private sector is totally a divergence from the kind of philosophy that has pervaded over the province over the last few years, and that is that we believe mainly in private sector rather than government control and government involvement.

Finally, they are doing excellently down there. The member from Quill Lakes mentioned about reduction in education, and what are we doing there. Well, just if you look in the pamphlet, there's 850 new training spaces in technical institutes, and that's an area that's going ahead in developing — an area where we're developing education for people who are in the training field. People will be able to get trades and, therefore, be able to promote jobs.

This is undoubtedly the most responsive and innovative budget ever presented in this Assembly.

The increases in funding are in many areas. Emphasis is on small business relating to rural Saskatchewan. We want to see rural Saskatchewan grow, not decrease. I would predict that this is just the first of many such fine budget proposals that will be presented to this legislature by a Progressive Conservative finance minister.

Mr. Speaker, I couldn't help but notice the opposition reaction to my colleague's presentation last Wednesday evening. They were shocked. They couldn't believe the good news for all sectors of our provincial economy that was coming from this excellent budget, and they were totally at a loss to find any one thing to be constructively critical about. We heard members opposite crying about the size of the deficit: "\$11,000 an hour," the Leader of the Opposition said, "is travelling out of our province to Toronto and New York, and what a horrendous sum for all of us in Saskatchewan to be paying."

But it appears to me is that the Leader of the Opposition is not so opposed to the amount of money that is leaving Saskatchewan, but rather, where we are spending it. For after all, it was that same Allan Blakeney, as premier of this province, who took a half billion out of our heritage funds to buy potash mines. If you really want us to talk about the blood running out of the province, why doesn't he talk about the \$7,500 an hour it takes to finance those same potash mines he bought back in '75 and '76? After all, most of that half billion was borrowed in U.S. dollars, so that now we are paying 25 per cent, or better, premium on every dollar we owe.

You see, the real difference between the government's deficits and the NDP's record of spending is that the money we spend is staying here in Saskatchewan, helping every citizen in this province.

As Minister of Rural Development, I was most pleased with the new initiatives that were proposed for rural municipal government.

Two weeks ago, at the 79th annual convention of the Saskatchewan Association of Rural Municipalities, I announced several policy changes in the delivery of funding for our local rural governments, I would like to take a few minutes to briefly outline these new policy thrusts to the members of the legislature, but first, I would like to provide a little background on each. The three major areas of concern that the SARM executive and my officials have discussed over the past year: assessments – well, one of them. Members opposite will know that the former administration initiated several changes in the formula by which property values were established as a basis to which mill-rates for municipal and education tax levies could be applied. The new formulas began to be implemented in 1976 and have carried on to the present.

The former administration, in its usual inept manner, made these changes arbitrarily. That is to say, Mr. Speaker, they made a major revision to the basic tax structure of this province without consulting with the people most affected by the change – the local government bodies.

One might think that bringing down a new policy in a tyrannical manner would be bad enough, but no so, Mr. Speaker. They also forgot to provide sufficient funding to the Saskatchewan Assessment Authority. This action placed an impossible strain on the authority and its ability to function as an effective body within government. On one hand, they had a new policy to administer, a new policy that couldn't be easily by even those who had devised it. And, on the other hand, they were already short of the necessary people and resources to complete the task at hand.

This is the mess we inherited, Mr. Speaker: gross inequities in the new levels of assessment; unexplainable policies and formulas; horrendous shifts in tax burdens. How did our government approach this problem? Well, unlike those members opposite, we began by consulting with those affected most. We have had numerous meetings with the Saskatchewan School Trustees' Association, the Saskatchewan Urban Municipalities Association, and the Saskatchewan

Association of Rural Municipalities, and we have recognized that the solution is not easy.

One cannot make arbitrary changes to the formula without upsetting the whole balance of taxation throughout the province. After all, it was just such an action by the last government that created this whole problem in the first place. But there are some immediate remedial steps which need to be taken, and this government, by being responsive to its electorate, is prepared to take those necessary steps.

First, we increased the budgetary allocation to the assessment authority for 1984-85. This will assist in speeding up the computerization of records so that new policies may be implemented uniformly across the entire province.

Secondly, we will be introducing amendments to both The Rural Municipality Act and The Urban Municipality Act, which will allow for more equitable to certain intensive agricultural operations, such as greenhouses.

Thirdly, we have initiated a tax reduction policy, which will provide a more reasonable level of property taxes for irrigated farmland during the current taxation year.

And, finally and most significantly, the Minister of Finance has announced the creation of a commission to review this, and other current and immediately emerging issues which directly affect our local government bodies.

Another serious problem that our government inherited from the last administration came in the area of legal surveys of municipal roadways. When the grid road program began in 1956, the province agreed to pay for, and supply, the necessary survey work required. In return, the municipality was responsible for obtaining the land for the right of way. The province did not keep up its part of the bargain. The legal survey requirements had not been maintained to a suitable level. Since 1976 the backlog of unsurveyed roadways grew steadily, due to underfunding by the province. In fact, since 1976, only in 1982, the first year we assumed office, was sufficient funding provided to cover the final, annual cost of legal survey on the construction on our designated road network.

My officials estimate that the result of this neglect by the past administration will be an added cost to the taxpayers of this province in excess of \$3.5 million.

I was pleased to announce that, after consultation with the Saskatchewan Association of Rural Municipalities executive, we have developed a new cost-sharing agreement, whereby the cost for legal surveys will become a shareable cost as a part of the total road project. In addition, we will be assisting in the cost of obtaining right of way for all designated road projects. We have injected a substantial sum into the conditional grant allocation pool for 1984-85, which is an addition to the basic 5 per cent increase to the revenue-sharing pool. I am confident that this new policy will provide a substantial benefit to most municipalities, and especially those who are experiencing costs for right of way purchase over the next few years. And in so doing, Mr. Speaker, we have solved one more of the many problems left to us by those previous members of doom and gloom opposite.

The third major area of concern that we have successfully negotiated with the executive of SARM (Saskatchewan Association of Rural Municipalities) has to do with road maintenance costs. A very serious trend has developed in rural Saskatchewan over the years as rail branch line abandonments have occurred. The spectre of variable freight rates on grain shipments, made possible by the NDP's friends in Ottawa, are, and will be, placing a severe strain on the municipal road system.

Large units for hauling fuel, grain, and farm supplies, such as fertilizers, are now travelling municipal roadways. This traffic has historically been diverted to the rail lines that are now being

abandoned. The rising maintenance and reconstruction costs were becoming a major concern to local councils and to the executive of the association of rural municipalities.

While a basic maintenance grant of \$60 per kilometre has been in effect for all primary grid and special designated roadways, this amount was obviously inadequate. After consultation with the Minister of Finance, we were pleased to announce to SARM that a new policy would come into effect April 1, 1984. First, a new grant of \$60 per kilometre will be paid for maintenance on all constructed main farm access roads. Second, for remaining constructed designated roadways, we'll be providing assistance on a sliding scale, reflecting the actual volume of traffic. For roadways with less than 150 vehicles per day, the maintenance assistance will be increased from the existing \$60 per kilometre to \$90 per kilometre. For roadways with traffic volumes exceeding 150 but less than 250 vehicles per day, the assistance is increased to \$130 per kilometre. For roadways where traffic volumes exceed 250 vehicles per day, the assistance is increased to \$180 per kilometre.

When the grid road program was terminated in 1977, sections of uncompleted grid road links were placed in the main farm access system. Because these roadways function as part of the grid road system, we'll be placing all of these connector links, which amount to 317 kilometres, back into the grid network immediately upon their construction. This means that, as of today, an additional 206 kilometres of constructed main farm access will be eligible for the enhanced grid road maintenance program I've just outlined.

What will this maintenance enhancement program mean to the municipalities? A preliminary survey completed by my staff indicates that, for 1984, 234 of our 299 rural municipalities will receive conditional grant increases in excess of \$5,000 for maintenance assistance.

I was also pleased to announce that, in response to requests from SARM, we will be increasing timber haul maintenance for 1984-85 by 20 per cent. I've also written to the federal Minister of Transport, the Hon. Lloyd Axworthy, requesting a meeting to negotiate a reasonable level of federal assistance to those municipalities who are experiencing rising road maintenance costs as a direct result of branch line abandonments.

Mr. Speaker, there are so many new and positive items in this budget that I'm sure that I could carry on for many more hours just to cover them all. However, I would like to summarize a few of the highlights as they affect rural Saskatchewan.

The new home quarter tax assistance program, which will put \$11 million back in the hands of our farmers to combat rising costs of production, is a set in the right direction. This direct tax reduction, when coupled with the increased maintenance assistance now available to rural municipalities, represents the equivalent of a 13-mill decrease in property taxes to every farmer in the province.

New incentives for employment that will create 5,600 new jobs for young people is another step in the right direction.

AN HON. MEMBER: — Fifty-six what?

HON. MR. DOMOTOR: — Fifty-six hundred — new jobs so our young people can stay here in Saskatchewan and make this province grow and prosper. They are going to be prospering and working in Saskatchewan because, as the Premier mentioned, the province of Saskatchewan has reached a million population — a million population which never did it receive that amount while you were in administration and while you were in government. As a matter of fact, the number of people in Saskatchewan decreased.

The new incentives for livestock production encouraging the Saskatchewan feed-cattle industry that was so long ignored by NDP governments in this province is another welcome sight for the

rural Saskatchewan.

The establishment of the new water corporation that will provide the impetus needed so that our farmers can get on with the job of irrigation without the hassle and bureaucratic bungling that the last government threw at them. These are all positive steps, Mr. Speaker, steps that will enhance rural Saskatchewan. A commission has been established to review the many issues which affect municipalities, school boards, libraries, and union hospitals. This commission will listen to and collate the views of all sectors of rural Saskatchewan, so that new and innovative approaches to the many problems facing local governments can be determined. And when the commission brings in its report it will be in response to the needs of all Saskatchewan people.

That, Mr. Speaker, is how a Progressive Conservative government functions. And that is how this budget can best be described. We are responsive to the needs of all and responsible control of government spending. Not only that, we consult with the people that are directly affected. Just as the Minister of Finance went out to listen to different groups and businesses, and farmers, as to the kinds of things they'd be looking for in the budget and, with that consultation, come up with an excellent budget. So, we'll be doing the same thing with reviewing how the revenue sharing and how the grant structure should be formulated between the rural municipalities and urban municipalities of this province.

That is why it gives me a great deal of pleasure to add my support to the motion, and I'll be voting against any opposition amendments which might alter this, the best budget Saskatchewan has seen in 55 years. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. THOMPSON: — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure today, to rise and speak in this budget debate. I want to, first of all, start off by congratulating the Minister of Finance on his splendid delivery of the budget. I also want to say that this is the third budget that the Minister of Finance has brought down in two years, and watching him make that delivery, one could only take a look at his expressions and realize that he was a very worried man. He delivered that budget, the third budget in two years, with an \$830 million deficit, and I will go into that a little later as to just what that means to the taxpayers and the citizens of this province. I want to, first of all, Mr. Speaker, comment on some of the remarks that the Premier has made here today, some of them almost on the verge of being vicious, and I want to get to that.

First of all, when the Premier was speaking, he was talking about the NDP living in the past. Well, I want to say that the folks in Saskatchewan are now looking at the past, and are looking for a comparison for the conservative government that we have today. And let me tell you, I've talked to a lot of people around this province, and what they're telling me is: the Anderson government of 1929 to '34 were a good government compared to the Conservative government we have in this province today. And I will get on to the reasons for that.

If the member from Saskatoon, the Minister of Co-operative Development, would like to get up on his feet and make a speech . . . Yesterday I heard him talking about all the hacks that were fired, but that was from his seat.

The Premier, you threw around figures such as hundreds and hundreds of millions of dollars of savings to Saskatchewan people. Hundreds and hundreds of millions of dollars of savings, Mr. Speaker. This is what the Premier was saying in his speech. Yet when this government took over a little over two years ago, they had \$140 million surplus, and in his two-year period, and three budgets later, they have \$830 million deficit, and 40,000 people unemployed, and 55,000 people

on welfare. And he's proud of that fact. Proud of the fact.

He talked about the new life in Saskatchewan and the excitement. I want to say, Mr. Speaker, that there wasn't much excitement the day after the budget was brought down and 400 families, heads of families, were fired from their jobs, with many years of seniority. That, Mr. Speaker, I do not call compassion, and I do not call that excitement.

He talked about the rapid growth in the labour force in Saskatchewan. Two years ago, when the Conservative government took power, there was 4 per cent unemployment in Saskatchewan. Now we're getting close to 10 per cent unemployment in Saskatchewan, and he calls that growth and he calls that progress.

Also talked about the closing of the mines in Saskatchewan under the NDP government. Well, the only mine that I can think of that was ever closed was the Eldorado Nuclear mine at Uranium City. And I want to indicate that when the Conservative government was campaigning in Uranium City, and the Premier's words were that, to the folks in Uranium City, "We will not let you down if we are elected."

Well, they were let down, Mr. Speaker, in Uranium City. They were really let down by this Conservative government. The statements that came out after they became elected, "Well, it's not our problem. It's a problem with the federal government and Eldorado Nuclear." And they just left them up in the air, and I will allude to that a little later.

He indicated that he was very proud of the oil industry, that he was very proud of what was taking place in Estevan. But I didn't hear him say that he was very proud of what was happening in northern Saskatchewan, where we have in some communities close to 100 per cent unemployment and high rates of welfare. He didn't indicate that he was proud of that, but, when he was in Meadow Lake to a curling bonspiel, he indicated to the press in Meadow Lake that there would be nothing more coming to northern Saskatchewan. His words were, "We don't have any more money to spend in northern Saskatchewan, so we will just leave that as it is, with the high rate of unemployment and the high cases of social assistance."

He said, "What would it be like in Saskatchewan without a Tory government?" Well, that's quite easy, Mr. Speaker. We know what it was like when we had the Anderson government in 1929 to 1934, and people out on Main Street are saying that that was a good government, compared to this one.

What would it be like? Number one, Mr. Speaker, we wouldn't have an \$830 million deficit over our heads in Saskatchewan.

AN HON. MEMBER: — Hear, hear!

MR. THOMPSON: — We would have \$100 million more that is going out on the interest on that \$830 million to provide economic development and jobs for every citizen in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. THOMPSON: — . . . (inaudible interjection) . . . I will get to that. We would have an extra \$100 million that they've been giving out to the oil companies year after year. We would have that extra \$100 million to provide jobs and security for Saskatchewan. And there wouldn't be that 40,000 people out there looking for jobs.

He talks about the removing of the gas tax, that that is a great thing. We would have an extra \$130 million to build highways and roads, and we wouldn't have the mass firings that are taking place in the civil service today.

He indicated that the NDP government, if they got back in power, that they would phase out all the uranium mines in northern Saskatchewan. I want to say, Mr. Speaker, that resolution – his words were that they would close down the mines – stated that there would be a phasing out after these mines had completed their life span. That will be many, many years down the road.

JSOME HON. MEMBERS: Hear, hear!

MR. THOMPSON: — Here's where it gets pretty rough, Mr. Speaker, when the Premier of this province stands up in this legislature and says that the NDP accused the Americans of destroying the Korean jet liner. That was his words, Mr. Speaker. He accused the NDP of accusing the Americans of destroying the jetliner, the Korean jetliner. And he should well know that there was a resolution passed in the Parliament of Canada, a resolution that was passed and supported by every member of that parliament, condemning the Russians for that display, for the destroying that Korean jetliner. And yet the Premier, the Premier of this province, stands up in this House and tries to deceive the public and tries to relate that with some individual who had a mask over his head, who burned an American flag in Manitoba. How can you compare this? And how can the Premier of this province get up and say that the New Democrats condemned it?

In his closing remarks that I kept track of, Mr. Speaker, he said that the New Democratic government would not allow the citizens of Saskatchewan to invest in their own province. I want to say to this House, Mr. Speaker, that every man, woman, and child are a shareholder, and still are a shareholder, until this Conservative government sells off the Potash Corporation of Saskatchewan, the uranium mines in northern Saskatchewan, who are owned by Saskatchewan Mining Development Corporation. They have a share – and a share that they can be very proud of – a share that is providing a future for Saskatchewan.

But the stories that we have heard today, and the stories that the Premier was talking about today, that's not going to wash over in this province. There's just too many people out there who are suffering, too many people who are unemployed. And that is just not going to wash, for the reality is there before them. The reality is there for every family and every community, not only in the North but right across this province, to see just what has taken place.

And we noticed that the budget speech did not proclaim that Saskatchewan was open for big business because their open-for-big-business policies has so obviously been a failure.

The Premier talked, prior to becoming the premier of this province, about deficit budgets, and he said that was just deferred taxes. Now that he's in government, he's changed his mind. He feels that we should still be having deficit budgets, and that the taxpayers of this province should be paying this massive amount of interest to the banks and the multinationals in other countries — \$830 million in debt in two years, in three budgets in two years, starting off with a \$140-million surplus.

The Conservative government has now brought down a third budget and has the taxpayers of this province in debt to the tune of \$830 million — \$100 million a year that is going out of the taxpayer's pockets to pay for that massive debt – money that could be going into economic development and industries that would create jobs, and in turn, provide tax money to this province.

The government likes to boast about its job creation record, Mr. Speaker, but it's a pretty sorry record. Fewer young people employed in Saskatchewan right now than there were one year ago. The number of unemployed is up over last year. As I indicated, 40,000 people unemployed in Saskatchewan. At a time when the number of new jobs across Canada has increased by some 3.5 per cent in the past year, in Saskatchewan our employment growth has been less than 1 per cent. And in the North, the situation is desperate. There is simply now word for it – desperate, in community after community.

Over the past two years of this government's big business policies, the number of unemployed formerly registered as seeking work at the Canada Employment Centre in northern Saskatchewan, has increased by 55 per cent. If you were to take out the professional people who are working in northern Saskatchewan – the teachers, the nurses, social workers – you take them out of the figures that they're using in northern Saskatchewan for unemployed citizens – you would find in some communities, Mr. Speaker, that there is close to 100 per cent of the citizens who are unemployed.

The Conservative government has indicated that they want to bring northern Saskatchewan back into line and on a par with southern Saskatchewan. And I commend them for making that statement. But, Mr. Speaker, if this is what they wish, I would only hope that what they will do is see that the unemployment rate in northern Saskatchewan will drop down equally to what it is in southern Saskatchewan. Because the 90 and above per cent unemployment rate in northern Saskatchewan is just not acceptable, especially when we look at southern Saskatchewan, where it's nearing the 10 per cent. That is quite a difference.

While this PC government tries to paint a bright economic picture, it has to pretend that it does not notice the reality – rapidly increasing welfare case-loads. I invite the Premier to check the figures published by his own government, Mr. Speaker. He will find that in every single area of Saskatchewan, the welfare case-load has increased dramatically in the two years of his administration. In northern Saskatchewan alone, the welfare case-load has increased by almost 60 per cent in the last two years – hundreds of families, in dozens of communities, forced on to welfare because of polities such as contained in this budget.

The other day here in the House, we heard two members from Saskatoon who got up, and talking about the budget, and just how good the budget was, and they said you could just feel it in the air; you could just feel it in the wind. I want to tell you, Mr. Speaker, that the 400 families who were fired from their jobs most certainly didn't feel any excitement in the air. As a matter of fact, what they felt in the air was disappointment, and an ill wind that has been blowing. And I don't know for sure just when that ill wind will stop blowing. But I can tell you, Mr. Speaker, there are a lot of people in Saskatchewan who just don't know where they're going today, who have jobs, and are worried about being bumped and losing their futures.

And perhaps the ultimate insult, the ultimate reality of this budget, became clear less than 24 hours after the Minister of Finance delivered his prime time television budget speech. The reality that a budget that talked about job creation actually destroyed some 400 productive jobs – the jobs of productive, long-time employees – in the Department of Highways, for example, more than 200 of them in that one department.

These are the hard, cold facts, Mr. Speaker, the human tragedy, and the Premier was talking about compassion. I say it's a human tragedy. And there's absolutely no compassion whatsoever when a government can just all of a sudden take the livelihood away from 400 families with one sweep, in one day and indicate that there's more to come.

And the Minister of Highways, and the Premier have the nerve to say that these people haven't lost their jobs; they haven't lost their pension benefits. I'm assuming they still have that, according to the Premier and the minister. They haven't been fired – just transferred to the private sector.

I would hope that this government will have enough compassion to make sure that there's portable pensions that will be transferred from the government jobs that they've been fired from, over to the private sector; some of these employees with 30 years service. I think it's become obvious, even to the Minister of Highways, that this sort of double talk just does not wash.

When one considers, Mr. Speaker, what that meant, the 400 firings the day after the budget, the

disruption to the families – men, women and children who had a home, who had a job, were living in Weyburn, Estevan, who now are thrown out of their jobs, have lost all their dignity, pension plans are gone – and they said, “Well, you don’t have to worry because you can go out to the private industry, and you can get a job.”

But where are they going to go, Mr. Speaker? The worker down in Estevan: is he going to go and take a job up in Smuts, or is he going to take a job up in Rosthern? He doesn’t know. Or is he going to bump a family who has a job looking after doing maintenance, or operating a motor grader looking after airports who has that job? Is he going to bump that individual? This is the type of situation that we have now. Highways workers who do have a job, and they’re wondering, am I next, or am I going to be bumped; and the individual that is going to bump: is he going to take his family, his wife and children from a different town and move? It’s a serious situation. It’s a government that has no compassion, absolutely no compassion at all. As I indicated before, there’s an ill wind blowing in Saskatchewan, and it is an ill wind. And there are a lot of people, a lot of families, and young boys and girls out there who don’t know where they’re going. They don’t know where their father is going to get a job, and where they’ll be going to school next year.

I want to also indicate that, as before, things are serious in northern Saskatchewan. And what does this government do to alleviate the problem?

We have a large forest area up in northern Saskatchewan and, in the last two years, there has been forest operations taking place in the Ile-a-la-Crosse, Buffalo Narrows, Dillan area. Millions of feet of timber have been taken out of that area – jack pine and white spruce – by southern contractors who come in, know conditions, have not hired one northern person. Not one northern person and yet there is millions and millions of board feet have been taken out of that area, and you don’t see one job going to Northerners. Yet we have the high unemployment rate of 90 per cent. We have a Conservative Premier who says that he wants to bring northern Saskatchewan in line, and I assume he wants to bring that unemployment rate down, but what does he do? There’s no conditions to anybody working in northern Saskatchewan anymore.

He talked about health programs. We have a new hospital in La Loche, and we haven’t had a permanent doctor since July. The doctors that serve that La Loche hospital now go up four days a week and serve it from Meadow Lake. Just imagine what the cost is, Mr. Speaker, to fly all the patients to Meadow Lake, all the deliveries. The medivacs that are coming out of northern Saskatchewan is going to cost this government close to \$2 million this year just in transportation costs to transport patients out of northern Saskatchewan to southern hospitals for treatment. And we have good hospitals, but we have no doctors, and they’re making no effort to get doctors for northern Saskatchewan.

The ambulance situation – and I see the member there from Moosomin. He was on the ambulance committee. In Ile-a-la-Crosse we have no ambulance. They’ve had to take patients in the back of a truck. Right now in Ile-a-la-Crosse there is a group of people who are holding bingos and fund raising programs to raise money to buy an ambulance to serve the hospital in Ile-a-la-Crosse. They have no money for an ambulance, and here they are trying it raise money locally through bingos and other fund raising events to buy an ambulance for that hospital. That is the type of neglect that northern Saskatchewan is getting from this government.

They talked about mining and exploration. And I want to say that exploration has come to a complete halt in northern Saskatchewan. They talked about the \$600 million that we spent on uranium mines. They talked about the \$300 million that we spent in one year on the potash mines. I want to say, Mr. Speaker, to this legislature today, that that was \$900 million that was well spent. If it wasn’t for the uranium mines that are operating in this province today, and the potash mines that are operating in this province today, and the dam that’s being built in Nipawin today – all programs initiated by the NDP government – the 40,000 people that are unemployed would probably be up around 100,000.

Yes, I'm proud of the fact that we spent that money. It was an investment for the citizens of Saskatchewan, and it was an investment in the future, an investment in the future that we felt was a good future, until April of 1982 when that was destroyed by this Conservative government.

Road building in northern Saskatchewan, and pretty well in every place in this province, has come just about to a complete stop. You take a look at highways who had a stabilized base put on them and never finished, and now you find four and five miles of straight gravel. The stabilized base is even gone. They're not finishing, and they're not building. And this is the policy of the Conservative government.

Mr. Speaker, I ask this government, this government of compassion who claim that they are a government of compassion, who are a government who believe in people and are going to create jobs, I ask them, Mr. Speaker, sincerely, to stop this massive firings that are taking place. Eight more in northern Saskatchewan yesterday were fired. I ask this government to use some compassion, to stop these firings. I ask them to start investing money in northern Saskatchewan where the unemployment rate is so high, and to give them people up there an opportunity to develop themselves the way they want to. I ask them to take that seriously and to go into northern Saskatchewan, to send his ministers in there and just see what the problem is, and make an effort to solve it – use some of their compassion.

Mr. Speaker, I'm sure from what I have said you will realize that I will not be supporting this budget, but I will be supporting the amendment.

SOME HON. MEMBERS: Hear, hear!

HON. MR. EMBURY: — Thank you, Mr. Speaker. First of all, I would like to congratulate my colleague, the Minister of Finance, on a job very well done – on a budget that is very well accepted across the province. I might indicate to him that in my trips to Moose Jaw, they were delighted with the budget there. I was in Yorkton; they are very, very happy with the budget. In Saskatoon, the comment was made to me that it was bouncy and gutsy. In Prince Albert I had a long meeting with the council and the mayor there; they are very happy with the budget.

I think that, by talking to my constituents in Regina, that they are very happy with the budget. They are excited about the budget, and I think that we will find in the years to come that this will be a milestone in Saskatchewan.

I would like to direct my comments for a moment to some of the comments made by the previous speaker. I think, Mr. Speaker, the *Leader-Post* may have well described the opposition's criticism of this budget, and I think the description in the *Leader-Post* was absurd.

The last speaker from the opposition tried to tell this House that in 1982 the then government was proposing a \$140 million surplus. Now I don't know if he really believes, if he really believes that people could believe that there's a \$140 million surplus in 1982, when a week after getting into office it was pointed out to us that the forecasts for revenue from the resource sector were just not true. They were not true. It was your document, sir, in '82 that was not true.

But I think what it indicates, Mr. Speaker, is the type of thing that the NDP did very well when it came to budget time. I think my colleague from Saskatoon last night pointed out, they approached the 1976 budget and they said, "Well, we've got to do something about nursing homes. What are we going to do? We're spending too much money. Easy. We'll just say: there's a surplus in nursing homes and we won't spend any money."

The same with the 1982 budget. They knew they were going to call an election. They looked at their revenues; they knew that their revenues were, not what they projected them to be. They

knew that they couldn't promise the things that they'd promised in that budget without cooking the revenue figures. So they simply cooked the revenue figures. It was all untrue.

And, Mr. Speaker, I think that any opposition party that says in this House, today, that if they were government today they wouldn't have a deficit, simply doesn't know what they're talking about, because in 1982 they didn't even know they had a deficit then. And they did.

How would they know in 1984 if they had a deficit? I think, Mr. Speaker, the previous speaker said that in 1982 the unemployment rate in Saskatchewan was 4 per cent. Well, I might point out to him that in Inuvik, the unemployment rate is 0 per cent. But there's nobody there. And people were leaving this province. That's why there was a low unemployment rate. They weren't even staying around to get a job. They were gone. They weren't staying here.

I think, Mr. Speaker, that it points out one of the underlying reasons why they are there, and we are here.

I think, Mr. Speaker, that my colleague, the Minister of Finance, has put together a budget which captures the Saskatchewan spirit, a budget which builds on the strengths of our people and our communities.

And I am proud of the way, Mr. Speaker, in which this budget has been able to introduce needed new incentives, cut taxes for farmers and small business, protect and enhance essential health and education programs, and do many other positive things, Mr. Speaker, while also reducing the real deficit – the deficit that is shown on the blue books, not hidden in the crowns, not fudged, reducing the deficits, up front. And that, Mr. Speaker, is sound and responsive financial management.

This budget, Mr. Speaker, contains many direct and indirect initiatives that will assist our more than 500 urban communities. First, Mr. Speaker, let me briefly sketch some of the more indirect benefits to our urban communities.

The Venture Capital Tax Credit. The \$12 million industrial incentives program, and the elimination of provincial corporate income tax on manufacturing and processing, income of small businesses, will give added encouragement and stimulus to the many small businesses located in our communities. In turn, Mr. Speaker, our communities and their residents will benefit from the retention and the expansion of employment at the local level, and a stronger economic base for those communities. In a similar fashion, all our communities rely heavily on agriculture. The initiatives in this sector that will be outlined by my colleague, the Minister of Agriculture, will help in an indirect yet important way to strengthen and reinforce our urban centres.

Tourism initiatives, Mr. Speaker, will also benefit the many communities providing services and facilities to the travelling public. These major capital projects at our provincial parks will create employment and other economic spin-offs at the local level.

I know too, Mr. Speaker, that municipalities will benefit from the removal of sales tax from the utility bills for skating rinks, curling rinks, and swimming pools. Estimates are that this tax break will save municipalities and local organizations about \$1 million this year.

Municipalities will also benefit from the more than \$2 million in increased grant funding for ambulance services that have been announced by my colleague, the Minister of Health. Mr. Speaker, money for health services to benefit all Saskatchewan residents.

Mr. Speaker, that is a very cursory review of how some of the major initiatives in this budget will indirectly assist our cities, towns, and villages. I want to spend the remainder of my time today

looking in more detail at direct measures of assistance provided to our communities in this budget.

Once again, Mr. Speaker, our government has recognized the vital importance of revenue sharing by ensuring that it receives an increase equivalent with the overall increase in provincial spending. Mr. Speaker, a full 5 per cent increase in the revenue-sharing pool, a total of \$65.2 million this year. Compare this, Mr. Speaker, to the low increases and, in some cases, no increases that municipalities have received in most other provinces in Canada.

Over the past year or so, Mr. Speaker, we have spent many hours with the SUMA (Saskatchewan Urban Municipalities Association) executive, reviewing the revenue-sharing formula. After these exhaustive discussions, SUMA decided, and the government concurred, that the existing distribution formula was the one that had the best balance between equity, stability, simplicity, and predictability. Accordingly, Mr. Speaker, with SUMA's concurrence, that distribution formula has been put into operation again this year. Discussions are still ongoing with SUMA on alternative escalator formulas, and in the interim the pool has been increased by 5 per cent.

Reintroduction of the distribution formula means that the percentage grant increase received by each community will vary, depending on its need and its ability to pay. That is the underlying basis of revenue sharing. But, Mr. Speaker, our government is guaranteeing that no community will receive less this year than it received last year under revenue sharing. SUMA asked for this guarantee, Mr. Speaker, and our government agreed that it was a good idea, a good idea, Mr. Speaker, because it will provide many of our communities with funding they would not otherwise have received.

Mr. Speaker, in addition to the \$65.2 million in revenue-sharing funds, this budget provides \$11 million in unconditional funds for capital projects through the community capital program, and \$4.6 million for municipal transit and transit for the disabled.

But, Mr. Speaker, there is more good news. I am proud of our government's efforts to remove the jack pine curtain that has existed between northern and southern Saskatchewan. Urban Affairs is now playing an active part in that process, having assumed responsibility for all northern municipally related programming as of January 1 of this year.

Mr. Speaker, a closer relationship between North and South, but with due recognition to unique northern circumstances, has been achieved. Let me review the highlights, Mr. Speaker. This year, \$5.2 million for northern revenue sharing, which is a 5 per cent increase over last year. Mr. Speaker, over \$600,000 in grants for northern capital projects and northern fire protection. And, Mr. Speaker, over \$900,000 to the town of Uranium City to assist with its operating costs this year alone. Clear evident, Mr. Speaker, that this government is not ignoring and abandoning this much-troubled community and its remaining residents.

Mr. Speaker, The (new) Northern Municipalities Act has been proclaimed, bringing, for the first time, full-fledged municipal government to over 30 northern communities. Mr. Speaker, real local autonomy in the North, unlike the previous administration. Mr. Speaker, initial boundaries have been established for these communities, and are now being reviewed by a northern community boundaries commission that will be reporting to me at a later date. As Minister of Urban Affairs, I am proud of the financial assistance our government is providing to all municipalities, both north and south.

Mr. Speaker, I'm also the member for Regina Lakeview and, as such, I want to focus for a moment on a couple of urban issues that relate specifically to this city. Our government has made a commitment to assist in improving the taste and odour of Regina's drinking water. We have pressured the federal government to live up to its responsibilities in this area, and our persistence has paid off. The \$15 million granular activated carbon filtration plant is going ahead with the

federal government, the province, and the two cities, each picking up one-third of the costs. Formal agreements will be signed in the near future.

This year, we have budgeted \$2 million for the provincial share of this much-needed project. Mr. Speaker, additional provincial funds, to a maximum total of \$5 million, will be provided next year as construction progresses.

Mr. Speaker, better water for Regina and Moose Jaw. More progress, Mr. Speaker, in two years on this problem than the previous government did in 11 years. Construction of the GAC (granular activated carbon facility) will commence this year, Mr. Speaker, providing more jobs in the province and with better water guaranteed by 1986. Also in this year's budget for Regina, Mr. Speaker, is \$1.5 million for phase 1 of rail line relocation. This key redevelopment project will free up the CN yards for additional housing, community facilities, and open space uses. Both the relocation of the rail line and yards, and the redevelopment of the site, will create many jobs and opportunities.

Mr. Speaker, the city of Regina is working hard in spearheading this exciting and innovative project. I might point out to the House that this project is the first of its kind under the federal legislation. The city has completed transportation, urban development, and financial plans for the project, which will be submitted to the Canadian Transport Commission this year. This is a significant milestone, and I congratulate the city on their progress. The extent of the on-ground work possible in the project this year depends, Mr. Speaker, upon the nature and timing of decisions made by the CTC.

Mr. Speaker, the highlights I have mentioned so far total over \$90 million in capital and operating assistance of urban municipalities, but there is more. As the Minister of Finance outlined in his budget speech, over \$24 million has been allocated for the establishment of the Saskatchewan water corporation. As a means of transferring urban affairs' water responsibilities to the new corporation, the department will be paying a grant of \$11.4 million to the corporation. This pushes provincial funding, for urban municipal purposes, over the \$100 million mark this year.

Mr. Speaker, other members of the government will be speaking at more length about the role and responsibilities of the new water corporation. The message I want to get across today is that the continuity of grant assistance to urban municipalities for water and sewer projects will be maintained. The familiar programs such as municipal water assistance and water pollution control assistance are being transferred to the new corporation. The same people will be administering these programs. They, too, Mr. Speaker, are being transferred from urban affairs to the corporation, so over the short term there will be no major change for urban municipalities. Over the longer term, I am sure that the corporation's review and revision of water management in the province will rebound to the benefit of our urban centres.

So, Mr. Speaker, we have over \$100 million in capital and operating assistance to urban municipalities this year, and that sounds very good. We could rest there and say that we've done our job. But we believe that, to ensure the ongoing financial viability of our municipalities in the challenging times ahead, this co-relationship between the province and local governments needs a periodic review. That is why, Mr. Speaker, the Minister of Finance announced the establishment of a local government finance commission to scrutinize the relationship between the province and municipalities, school boards, libraries, and union hospitals.

It is no secret, Mr. Speaker, that in recent years all levels of government have faced a financial squeeze, including local governments. Public concern about the financial health of local governments has centred around the adequacy of the local property tax base. The province has used its broader sources of revenue to assist local governments in easing the property tax burden.

In terms of urban municipalities, the key programs used have been revenue sharing, the

community capital program, and the various property tax rebate programs. But, Mr. Speaker, even with these programs, there is a growing public feeling that the property tax burden is increasing and that there may be more equitable ways to fund social services that do not relate specifically to property.

There is no easy answer, Mr. Speaker. After all, the property tax, which totalled about \$560 million in 1983, is the third largest source of revenue in the province after income tax and oil revenues. This amount of revenue simply cannot be replaced without a major impact on other forms of taxation.

As well, Mr. Speaker, consideration has to be given to maintaining a proper balance between provincial involvement and local autonomy in local government matters, and we think that that is one of the key objectives of our government. Mr. Speaker, that then is the context within which the commission will be looking into the broad area of local government finance.

For urban municipalities, the commission will mean a thorough review of the following types of issues. Those issues are: that the role of the property tax in funding service is not related to property; the division of responsibility between the province and the municipalities, and a look at the realignment, if that is desirable.

We will be looking at the options for industrial tax base sharing and grants in lieu. We will be looking at possible alternatives to the present revenue-sharing program. We will be looking for the potential need for a replacement program for the community capital fund in 1985-86. And, Mr. Speaker, we will be looking at options to the current property tax rebate programs.

Mr. Speaker, this commission will report to a cabinet committee composed of the ministers of finance, education, rural development, and urban affairs. The commission will maintain an ongoing dialogue with local governments. This will culminate in a major provincial-municipal fall conference on fiscal relations. On that point, Mr. Speaker, let me just add my voice to the chorus of thank you's that have already been expressed to Mayor Scoop Lewry of Moose Jaw for first suggesting the idea of that conference.

I'm confident, Mr. Speaker, as are my colleagues, that this method of coming to grips with the crucial and complex area of fiscal relations between the province and local governments will result in worthwhile and implementable solutions.

Mr. Speaker, our government is becoming known for its positive, no-nonsense consultation with interest groups. Witness the pre-budget consultations of my colleague, the Minister of Finance, that helped him to fine tune the innovative thrusts in this budget. Witness the effectiveness of the cabinet committee in water concerns, whose consultations have now culminated in the Saskatchewan Water Corporation – an innovative new concept in water management. The effective consultations, Mr. Speaker, that Urban Affairs has had with municipal interest groups and others, has resulted in a new Planning and Development Act and, in this session, a new urban municipalities act.

Mr. Speaker, that is our trade mark – listening, consulting, moving forward with a consensus. This is the pattern that we will follow with the local government finance commission, and I am confident that it will result in innovative new ideas for the fiscal relationship between the province and local governments.

Mr. Speaker, in the days and weeks ahead, I and my colleagues in rural development and education will be getting this process under way by meeting with the executives of the local government associations, SUMA (Saskatchewan Urban Municipalities Association), SARM (Saskatchewan Association of Rural Municipalities), and SSTA (Saskatchewan School Trustees Association), to work out final details regarding their involvement in, and relationship to, the commission.

Mr. Speaker, the financial needs our urban municipalities are key and, as I've outlined, we've provided well for them in this year's budget. But municipalities also require an up-to-date legislative framework to put those dollars into action.

Even though legislation is not contained directly in the budget, I want to touch briefly on our progress in this area. As members know, The Planning and Development Act was passed at least fall's sitting, and will be proclaimed next month. Since passing the legislation, appropriate regulations have been drawn up to accompany the act, and a series of workshops to explain the legislation to urban and rural municipalities, to get underway in April.

This new act, Mr. Speaker, increases local autonomy in development matters and fosters a more positive climate for development in this province, and that is a great improvement over the past. It dovetails well with the various economic development initiatives in the budget that have already been mentioned by my colleague, the Minister of Finance, and others. This act, The Planning and Development Act, and its procedures, will ensure that entrepreneurs are able to give physical form to their plans with a minimum of red tape, while still protecting the public interest.

Mr. Speaker, the urban municipalities act will be introduced during this spring session, and at that time I will speak in more detail about its thrust and content. For the moment, I just want to underline, once again, that this massive piece of legislation has been put together in close consultation with municipal interest groups. It reflects their needs, their concerns, and their ideas. The act is a major element of regulatory reform, not only because of the consultative manner in which it was put together, but also because of the extent to which it increases local autonomy, streamlines procedures, and reduces the involvement of the province in purely local matters.

Mr. Speaker, in conclusion, this budget contains a solid package of assistance for Saskatchewan's urban municipalities and their residents.

Let me summarize:

Over \$118 million in operating and capital assistance to urban municipalities, including almost \$11 million in the Department of Highways and Transportation for urban roads.

And \$5 million for recreational and cultural facilities in the Department of Culture and Recreation.

Almost \$2 million for three urban park authorities in the province.

More than a 13 per cent increase in funding to the Saskatchewan Assessment Authority to speed up the reassessment program.

A new Saskatchewan Water Corporation to better manage the province's precious water resources.

The establishment of a local government finance commission and conference to work co-operatively on creative ways to realign the fiscal relationship between the province and local governments.

\$84 million to property owners, senior citizens, and renters to help reduce the burden of property taxes.

And, Mr. Speaker:

New legislation to increase local autonomy and assist in provincial economic development.

All in all, Mr. Speaker, an impressive array of assistance for urban municipalities and their residents – assistance not just for today's needs, but also assistance in defining the future needs of local governments.

Mr. Speaker, in closing I can do no better than to echo the theme of this budget, stated last week by the Minister of Finance. For our urban municipalities, this budget keeps what needs keeping, changes what needs changing, and responds to the needs, aspirations, and ideas of urban municipalities.

Mr. Speaker, I will be supporting the motion.

SOME HON. MEMBERS: Hear, hear!

MR. SMITH: — Mr. Speaker, I'm very pleased this afternoon to rise on behalf of the constituents in Moose Jaw South to show my appreciation to the Minister of Finance. And I'm certainly pleased that it looks as though I have roused the opposition a bit this afternoon. I think it's very good for them. They have been mourning quite a bit since the finance minister brought down his budget, and I think this will probably give them a little revival this afternoon.

Mr. Speaker, it is very appropriate for me at this time, first of all, to congratulate the Minister of Finance on the budget which I feel was the most productive and innovative budget that has been brought down in this House for many years. I'm quite sure that if the opposition, when they were in government, if they would have had some business-like people in their government, like we have, as a finance minister, I'm quite sure that this province would have been a lot better off today. I congratulate the Minister of finance fully on his budget.

Mr. Speaker, I am sure that the financial incentives have been offered to almost every segment in the province of Saskatchewan. Mr. Speaker, this is the third budget in a two-year-old government which benefits farmers, construction workers, small business, and senior citizens.

I'm sure, Mr. Speaker, the citizens of Moose Jaw and my colleague, and myself are very pleased with the announcement which came to Moose Jaw on the budget of the water corporation office. I'm sure that this is going to do a great deal for the citizens in Moose Jaw, and is going to create a lot of work for us. And I'm quite sure, in my own mind, that this is what the people are wanting, throughout the province, is more flexible government that sees the views of the smaller cities.

Mr. Speaker, we are looking forward to the future, for in this regard there will be jobs and spin-offs for things like crown corporation water. Mr. Speaker, I am very sure my remarks have been stated many times by other ones, on the budget, but at this time I'd just like to highlight a few of the main things in which I feel that require my attention.

Mr. Speaker, small business has a program where it has contained longer term loans at fixed interest rates up to five years, new incentive programs to provide one-time payments of \$7,500 for each new permanent job created in manufacturing and processing firms, and many more economic development and investment programs.

Mr. Speaker, agriculture has a Livestock Investment Tax Credit to farmers.

Mr. Speaker, the crown corporation reform is another very spectacular issue. New savings and investment bonds to allow Saskatchewan residents to participate directly in the province's crown corporations. I feel we, as Saskatchewan residents, may as well invest our money in the

province where we are making it, and not taking it outside of the country.

Removal of sales tax on farm residential consumers to hold their own power bill increases to approximately 5 per cent. This is something that I believe when we were in opposition we had asked this to be done.

In regard to health care, Mr. Speaker, other major advances which were taken is a \$1.2 billion capital construction program, a new 5-year \$25 million Senior citizens' Home Repair Program, and many others which have been mentioned. And I'm quite sure they wouldn't need these high expenses in senior citizens' home care programs now if the previous government had looked after the condition of the senior citizens when they were in power. I'm quite sure that if one recalls, in previous elections, the previous government always got the . . . (inaudible) . . . cry out, that if we formed the government, that everyone would lose their medicare.

And I'm quite sure today, Mr. Speaker, that people of this province are more assured with medicare than they ever were since it was instigated. Mr. Speaker, the deficit has been reduced by approximately 20 per cent, and this is a big challenge when the economic position is not all that great. And I can tell you, Mr. Speaker, that if this previous government, had have been business people, looked after their businesses in a businesslike manner, which government is supposed to be run, I'm quite sure we wouldn't be worrying about a deficit either today.

Mr. Speaker, I'm sure everyone will be as pleased as I am with regards to the health field. Mr. Speaker, health care expenditures this year will exceed \$1 billion. A new five-year, \$25 million nursing home program . . .

AN HON. MEMBER: — Any in Moose Jaw?

MR. SMITH: — I think we'll wait and see what comes. There's a lot of other places, other than Moose Jaw, you know. We look after all the people of Saskatchewan. We don't just go . . . (inaudible) . . .

SOME HON. MEMBERS: Hear, hear!

MR. SMITH: — We look after the people of the province . . . (inaudible) . . . votes whenever it comes the next election. Mr. Speaker, income payments for senior citizens have been raised considerably; and a \$6 million program to expand the number of long-term care beds in the province; these are only a few things I'm touching on today.

Mr. Speaker, 850 new training spaces in the technical institutes; a six-point job creation program for young people to create 5,600 new jobs; a reform of the welfare program to eliminate abuse in the operations of these programs; a commission to examine and propose improvements to the financial relationships between the province and the municipalities.

Mr. Speaker, I'm sure one could spend much more time speaking on this budget. But I am sure most of it is being covered by many . . . (inaudible) . . . and I'm sure public reception will speak for this budget, regardless of what we are saying in here today, and I'm sure public reception in my areas has been very good. Mr. Speaker, one just needs to realize that a budget is a very difficult paper to prepare. When one has inherited so much debt on taking office, again, I congratulate the Minister of Finance for having the courage to bring us in the budget which he has done at this time.

Mr. Speaker, perception is very general and favourable throughout the province, and I am sure it will speak for itself in the coming fiscal year's budget. I will vote for the motion, and vote against the amendment. Thank you.

SOME HON. MEMBERS: Hear, hear!

HON. MR. SANDBERG: — Mr. Speaker, it's indeed a pleasure for me today to take part in the budget debate. I commend my friend and colleague, the Minister of Finance, Bob Andrew, for his vision, and his innovation. I also commend his staff. I would, in addition, say that the advice and counsel of our Premier, as well as my colleagues, had a big part to play in making this a budget that will promote economic growth and job creation for the people of Saskatchewan.

I also, at this time, would like to say that the people of Saskatchewan had a part to play in this consultative process, as the Minister of Finance toured the province of Saskatchewan to get their input before he drew up that document.

Mr. Speaker, this budget will have far-reaching beneficial effects for my constituents in Saskatoon Centre. This budget is a boon for the seniors of Saskatchewan. It doubles the Saskatchewan Income Plan (SIP) rates for single seniors from 425 to \$50, and increases couples from 44 to \$75. When combined with the federal GIS (guaranteed income supplement) increase, it will give a real boost to the income available to those who presently have limited incomes from employer pensions, and other sources. At the same time, the maximum eligible income is being raised, and 2,500 more seniors will now be eligible. Mr. Speaker, unlike the previous NDP administration, which placed a moratorium on nursing home construction, this government, the government of Grant Devine, is surging ahead to provide accommodation for the elderly.

We have launched a five-year, \$25-million capital program to build 1,000 new nursing home beds, and replace 500 outdated ones. This doubles the pace of new bed construction which has already been increased over the past two years. Mr. Speaker, in the five years prior to our coming to power only 142 new nursing home beds were provided by the then NDP government. In our first two budgets this government has provided over 190 new beds. Surely the NDP knew of the crisis approaching. Surely they knew of our ageing population. Surely they knew, Mr. Speaker, of the waiting lists at hospitals that could have been alleviated had more nursing home beds been provided. Mr. Speaker, the NDP knew all this, and yet they called for a moratorium on nursing home construction. I'm sure Tommy Douglas would hang his head in shame.

Mr. Speaker, my city of Saskatoon benefits greatly from the health minister, Graham Taylor's nursing home program. Fifty new beds will be built alongside the Alliance Church in south Saskatoon. Saskatoon's Oliver Lodge will see major renovations. The Lutheran Sunset Home will see 78 replacement beds. Then add to this the new 238-bed facility announced earlier in the year. It'll be constructed in the Fairhaven district of my friend, the MLA, Duane Weiman. That's 288 new beds, and 78 replacement beds for Saskatoon alone, in the next two years. That's a record to be proud of. Add to that, Mr. Speaker, the Minister of Health's announcement in Saskatoon today. Mr. Taylor has indicated that the nurses' residence, adjacent to City Hospital in my constituency, will be renovated to accommodate 25 psychiatric beds. This will free up 18 beds in City Hospital for medical and surgical patients. Also, the University Hospital will be providing a vacant ward to allow for 10 to 20 extended-care patients. This will allow for the admittance of 1,500 additional patients each year in Saskatoon, and will undoubtedly help to solve the current waiting list problem in Saskatoon, and will undoubtedly help to solve the current waiting list problem in Saskatoon that wasn't addressed at all by the former administration.

Mr. Speaker, in other programs for seniors, \$1 million will be allocated to new level 4 beds in smaller hospitals. Another \$1 million will be used to increase the staff on duty in special care homes. Of course every senior would prefer to stay in his or her home as long as possible, and one of the programs really asked for by our seniors was a means to let them do this.

In response, we have introduced the senior citizens' repair program, a five-year program setting

aside \$20 million. Seniors with incomes under \$16,500 can receive grants of up to \$1,000 to repair their homes. This is expected to help 8,100 people. The NDP program provided only \$600.

Seniors in smaller communities will also benefit from a \$200,000 fund being set up to provide construction and operating grants for senior citizen activity centres. As well, this government is initiating a new concept for integrating hospital and special care facilities in smaller communities in Saskatchewan. This innovative idea is intended to maintain the viability of small, rural hospitals and, at the same time, improve local access to special care services.

My home town of Cut Knife is one of the communities submitting a proposal for an integrated facility. Over the next two years 85 new beds will be funded for these integrated projects.

Mr. Speaker, it being near 5 o'clock, I beg leave to return for the evening session.

The Assembly recessed until 7 p.m.