

*The Budget—Mr. Hovdebo*

many a veteran in Prince Albert who proudly proclaims that his vote sent Mr. King back east.

Mr. Speaker, I should like to say a few words about the constituency of Prince Albert. It is basically a rural constituency with 60 per cent of the voters living outside the city. It is an historic city, the oldest in Saskatchewan, situated approximately in the center of the constituency on the banks of the North Saskatchewan River in the parkland area of the province. It is a beautiful city in a beautiful setting, small enough to be friendly and large enough to provide facilities for the good life. Although forest products and northern development are now contributing considerably to the economy, Prince Albert is very closely connected to the agricultural communities which surround it. The constituency includes some of the best farm land in Canada, Domremy, where I was born, Birch Hills, Kinistino, Wakaw, Shellbrook; Blaine Lake—where Jack Horner was born—Debden, Rosthern and Waldheim.

Prince Albert is the gateway to the north of Saskatchewan, where you will find some of the best fishing in Canada. An international playground, it includes the Prince Albert National Park. That area also has tremendous possibilities for development.

After the Red River rebellion, Mr. Speaker, many of the Métis moved to Saskatchewan and settled on the southern branch of the river. The two Saskatchewan Rivers meet about 20 miles east of the city. The Métis settled in St. Louis, St. Laurent, and Batoche. Duck Lake, Carleton and Batoche were, of course, the sites of some of the battles of the Riel rebellion. Scattered throughout the riding are 12 Indian reserves, mostly Cree, and one Dakota Sioux.

The Indians of northern Saskatchewan are strong, prosperous, and well organized. They contribute a great deal to the communities of that area.

I could spend a great deal of time detailing the hopes and needs of the people of Prince Albert on an individual and group basis. For instance, the Indians would like better housing and more freedom to control their own destiny. They are hoping to have the Saskatchewan formula implemented in dealing with their land entitlement claims. I support all those hopes and needs, and encourage this government to proceed as quickly as possible to their fulfilment.

The farmers of Prince Albert are being squeezed by increasing costs and insufficient prices for their products. Fuel price increases and high interest rates are hurting them. Besides that, the whole industry is being squeezed by the inability to transport grain, and by the abandonment of rail lines which are necessary for the economic delivery of grain. The cow-calf industry may look good at the moment but it is still reeling from four bad years. Farmers need legislation which will allow them to survive. The survival of farms, as we know them in Saskatchewan, is the survival of a way of life.

In Prince Albert members of the Public Service Alliance are feeling insecure and uncared for. Morale is low and many positions are going unfilled, to the detriment of the effective work of whole departments. A policy needs to be articulated

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and implemented which the Public Service considers fair and equitable.

Labour is also feeling the pinch of interest rates and the general depression of the economy. Workers' purchasing power has been further cut by the increase in unemployment insurance premiums and increased costs of fuel. Construction workers are being laid off and look forward to a very dismal future brought on by the high mortgage rates which have curtailed housing starts.

Small businesses are also in need of protection and encouragement. I commend the Minister of Finance (Mr. Crosbie) on the long overdue move to allow the salaries paid to spouses to be deductible. That is some help, but will not overcome the other effects of the budget.

These are some of the groups of people in the constituency who have needs and hopes and look to this government to help fulfil those hopes. Instead what they got is this budget.

This budget does not deal with the real culprits in our system. It does not attempt to deal with inflation to any extent. The major factor in increasing costs now and in the future will be the interest rates being charged. Those interest rates are causing inflation, hardship, and bankruptcy. Let me be more explicit, Mr. Speaker.

During the recent election campaign in Prince Albert, I talked to many home owners who were worried about the effect of high interest rates on their mortgages. Their present rate on a mortgage is 10 per cent or less. Those rates are to be renegotiated, if you can call it that, up to 14¾ per cent or 15 per cent. On \$40,000, 15 per cent means \$500 interest. Many of their payments will be \$500 per month before principal.

Let me be still more specific: one young couple with three children are planning to sell their home because their mortgage comes up for renewal this month. They cannot afford an increase. Their house will go on sale on a buyer's market, due to the sudden drop in the sale of houses. They are not even likely to be able to cash in their five-year equity. There are thousands of other young home owners just like them.

Most farmers on the prairies, regardless of the type of farming or even the size of the farms they operate, depend upon demand loans for operating at certain times of the year. The margin between cost of production and return from sales is very slim in many types of farm operations. The farmer has a choice of cutting back production or losing more money on a bigger operation. The extra 4 per cent to 5 per cent of interest on operational money will cut that margin still further, or may even eliminate it. If the losses go on long enough, the farmer will eventually be forced to sell. One more farmer will have left the industry. One more family will have been forced to change its way of life. One or two more people will be out looking for work that is not to be found.

Small businesses are very important to the economy of Prince Albert. I agree with a statement in the December 11 budget speech which says that "the small business sector is one of the great strengths of this country". Small businesses are good for Canada because they are usually Canadian-owned