

Tuesday, April 20, 1976

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day

WELCOME TO 4-H CLUB FROM NAICAM

Mr. N. Vickar (Melfort): — Mr. Speaker, may I this afternoon, through you to the House, introduce a group of 33 children, all 4-H Club members from Naicam, Saskatchewan. They are accompanied by four adult chaperons, Mr. and Mrs. Griffiths, Mary Lyons and Neil Pierce. I am going to meet with this group at about 3:30 this afternoon and I hope that they had a good time this morning in Regina. I am sure that the next hour in the House will be educational to them and I wish them a safe journey home.

Hon. Members: — Hear, hear!

INTRODUCTION OF GUEST FROM NEWFOUNDLAND

Hon. G. T. Snyder (Minister of Labour): — Mr. Speaker, I want to take this opportunity to introduce a distinguished guest to you from the Province of Newfoundland. Behind the rail, the Hon. Ed. Maynard, the Minister of Labour from that province.

Hon. Members: — Hear, hear!

Mr. Snyder: — He gives me to understand that the Newfoundland Legislature is enjoying an Easter recess and Mr. Maynard chose this opportunity to spend some time in Saskatchewan to examine and review our Occupational Health program. I must say that we are both honoured and flattered that he regards our four-year old program to be of sufficient significance to spend some time with us. I know that all Members will want to join with me in expressing the wish that his stay here will be fruitful and rewarding and that he will have a safe trip back to Newfoundland.

Hon. Members: — Hear, hear!

Mr. R. L. Collver (Leader of the Progressive Conservatives): — Mr. Speaker, I should like to add my greetings to the Minister from Newfoundland. I sincerely hope that he enjoys his sojourn on that side of the House for a moment or two and stops in to see us on his way out.

Hon. Members: — Hear, hear!

QUESTIONS

Security Practice for Confidential Documents

Mr. E. F. A. Merchant (Regina Wascana): — Mr. Speaker, I wonder if in the absence of the Minister of Finance (Mr. Smishek) if I might direct a question to the Premier, although the question is better directed to the Minister of Finance. It deals with the question of security of documents. I wonder if the Premier would indicate whether there is any specific security practice laid down by the Government for the removal of confidential documents, either from the Ministry of Finance, or from any of the other departments? Is there a procedure to be followed in relation to confidential documents?

Hon. A. E. Blakeney (Premier): — Mr. Speaker, I think the answer to that is that there is no general government-wide procedure about confidential documents. We do not have our documents classified into a secret, top secret or that sort of thing. There are documents marked confidential from time to time and the usual practices common among senior public servants in all governments are I think observed. I believe that different departments may have slightly different procedures but I am aware of no government-wide procedure.

Mr. Merchant: — A supplementary, Mr. Speaker. I wonder if the Premier or the Minister of Finance are aware of any previous leaks of confidential documents with relation to the Budget, any previous occasions when confidential documents were leaked before a budget was presented in this House?

Mr. Blakeney: — Mr. Speaker, I think the Hon. Member is asking us to turn back our memory. I don't recall any. There are vast numbers of documents generated during the course of the preparation of a budget, literally vertical feet of them. I would be very venturesome if I suggested that none of them had ever found their way outside of the circles in which they were designed to circulate but I am not aware of any that have been, as the Hon. Member phrases it, leaked.

Mr. Merchant: — Last supplementary, Mr. Speaker. I wonder if the Premier or the Minister of Finance would indicate whether there is any practice laid down to ensure that copies of confidential documents which may have been discarded don't fall into improper hands? The Premier has indicated that there are a great number of documents generated and I wondered if there is any care taken to ensure that discarded documents or copies of documents don't leave the Government service and perhaps fall into the hands of the Opposition or people who might profit as a result of knowing the direction of the Government?

Mr. Blakeney: — I think the general practice followed by most people involved in the process is to retain the documents until the Budget is presented and then to discard them or shred them, depending on whether or not they feel that there is anything

remarkably sensitive in them. The great bulk of documents are simply proposals for the division of government expenditures into A budgets and B budgets and X budgets and the like, and once the Budget is presented represent no particular hazard. A few of them may represent proposals which, while not acted upon, might be acted upon at a future time and would accordingly remain sensitive.

Mr. Merchant: — Mr. Speaker, one last . . .

Mr. Speaker: — The Member for Rosetown.

Saskatchewan Stock Growers Association

Mr. R. H. Bailey (Rosetown-Elrose): — Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Will the Minister tell this Assembly the reason behind the Government's decision to withhold the annual \$1 a member grant to the Saskatchewan Stock Growers Association?

Hon. E. Kaeding (Minister of Agriculture): — Mr. Speaker, the major reason for that is because there are no other similar grants which are given to other commodity organizations, commodity groups. It seems rather odd that we would be paying a grant to a stock growers association when we are not paying grants to other similar types of organizations. In a year where we thought that we had to restrain some costs it seemed to us that that was an area which could be cut back.

Mr. Bailey: — A supplementary question, Mr. Speaker. Did correspondence from the Government indicate to the Saskatchewan Stock Growers Association that the reason why these grants were no longer payable was the fact that they were a free enterprise organization?

Mr. Kaeding: — I am not sure, Mr. Speaker, whether that was conveyed in the document. I couldn't tell you what went out from the Department.

Mr. Bailey: — A final supplementary, Mr. Speaker. How can the Government make an annual grant to the, say the National Farmers' Union in the province when they, too, are a similar organization and when no membership is actually known? The number of memberships.

Mr. Kaeding: — Mr. Speaker, there is no annual grant to the National Farmers' Union and that is one of the reasons that it made logical sense that there should not be one to stock growers. If we were going to provide one for stock growers we would similarly then provide one for these other organizations.

Mr. Bailey: — A supplementary question, is the Minister saying . . .

Mr. Speaker: — Order! The Leader of the Opposition.

Was Effort Made to Obtain a Copy of the Budget

Mr. D. G. Stuart (Leader of the Opposition): — Mr. Speaker, I should like to direct a question to the Minister of Finance. Was an effort made by two Members of the Conservative Party of this House to obtain a copy of the Budget or the Budget Address or budgetary documents before the Minister of Finance delivered those on Budget day in this House? And was any money offered, or any other inducement offered to the Minister to hand over such documents to two Members or any Members of the Conservative Party, who are Members of this Legislative Assembly?

Hon. W. E. Smishek (Minister of Finance): — Mr. Speaker, the matter was considered the other day in Committee. I have answered similar questions yesterday and I do not propose to pursue the matter further.

Mr. Stuart: — Mr. Speaker, I presume there are no rules that can force a Minister to answer a question, but he did not answer those yesterday and I am not asking him about anything that happened in Committee, I am asking him if it is a fact that these things happen and I think that he owes it to this House to say 'yes' it is a fact that the proposal was made, or no it is not fact.

Mr. Speaker: — Order! Next question.

Inquiry Into Department of Finance

Mr. S. J. Cameron (Regina South): — Mr. Speaker, I have a question of the Minister of Finance along the same line, but different.

In view of the reports that the Leader of the Conservative Party Member for Nipawin (Mr. Collver) has been in receipt of confidential internal documents belonging to the Department of Finance, may I ask the Minister whether or not he has launched an inquiry in his own Department, and if so who is conducting the inquiry?

Mr. Smishek: — Mr. Speaker, a similar question was asked yesterday and I informed the House that I have asked the departmental officials to make checks. There is no formal investigation, the Deputy Minister of Finance is checking on the matter and will report any information as soon as he can obtain it for me.

Mr. Cameron: — A supplementary, Mr. Speaker. In view of a report last night that the Member for Nipawin was in receipt of documents in little brown envelopes on a regular basis, can I ask you if you have given, since that report last night, some additional instructions to your departmental officials on their investigation of the leaks?

Mr. Smishek: — No, I haven't given any new directives. This was

news to me. I did see the 6:15 news report on television that purportedly some materials are being sent in brown envelopes. I don't know what is being sent and by whom it is being sent.

Mr. Cameron: — A last supplementary, Mr. Speaker. Does the Minister of Finance have any reason to believe that some of these confidential documents may be purchased by others outside the Government?

Mr. Smishek: — Mr. Speaker, I have no reason to believe that any purchases are made. Based on any future reports that I may receive, then I will be able to judge. But I have no reason to believe that any money or anything has been offered.

Mr. C. P. MacDonald (Indian Head-Wolseley): — A supplementary, Mr. Speaker. May I ask the Minister, seeing that all this arose from discussions within the Legislature may I ask the Minister that when that internal investigation is completed, when he receives the reports from those officials within his Department, he make that available to Members of the Legislature and to the public.

Mr. Smishek: — Mr. Speaker, I will consider the matter based on any checks that are made and based on information, then I will be able to decide. It is pretty hard to decide now as to what might be produced. I can't really answer, but I would certainly be prepared to consider that request.

Mr. MacDonald: — A final supplementary, Mr. Speaker. Did you give instructions to your Department to provide a written report to you on your investigations or your internal checks? Did you give a time frame as to when that particular internal check was to be completed?

Mr. Smishek: — No, Mr. Speaker, no particular time frame has been set, but I have asked for a check. I presume that any information that can be produced and any evidence will likely be put in writing to me.

Mr. Merchant: — Mr. Speaker, I wonder if he would indicate when the study was requested and when the Minister expects the investigation to be concluded.

Mr. Smishek: — Mr. Speaker, it was on the 8th of April in the evening when the Leader of the Conservative Party did indicate that he had referred to a memo. I think that he did mention the name, or referred to the name of the Director of the Budget Bureau, as I recall it and it was the following day that I asked that the Department check on how it may have been possible that a memo got into outside hands.

Mr. MacDonald: — A last supplementary. Has the Minister any suspicion in his own mind that an actual copy of the Budget itself was

obtained prior to the official announcement of the Budget on Budget Day? In other words, has he any suspicion, or is there any information coming from his Department, or any reason to believe that the Budget itself, not just documents, but the Budget itself was provided to anyone, whether in this House or otherwise, in advance of Budget Day?

Mr. Smishek: — Well, Mr. Speaker, certainly the people that do the printing obviously have it. It is then delivered to the Department. There is very good security on the copies and I have no reason to believe that anyone else saw a copy, other than the printers and the Department people who are entitled to receive them, or instructed to receive them for the Department before the presentation.

Was Premier Informed of Attempt to Purchase Budget

Mr. Steuart: — Mr. Speaker, I should like to direct a question to the Premier, as Leader of the Government.

Was he informed by the Minister of Finance, or anyone else, that an attempt was made by Members of this Legislative Assembly, specifically two Members of the Conservative Party, to obtain a copy of the Budget before the presentation of the Budget by the Finance Minister of this House? Was he made aware that an attempt to buy or purchase or inducement through money was made to the Minister of Finance by any Members to obtain copies of the Budget before it was brought into this House?

Mr. Blakeney: — No, Mr. Speaker.

Mr. Steuart: — A supplementary, Mr. Speaker. Since this has become public, again to the Premier as Leader of the Government, has he discussed this matter with the Minister of Finance and has he, as head of the Government (this is a most serious matter), has he taken any action, or to propose any action, to look into this any further than we have at the present time?

Mr. Blakeney: — Yes, I have discussed this with the Minister of Finance. My understanding is that the Minister of Finance has withdrawn any allegations of impropriety which may have surrounded the suggestions he made in this House and I reached the conclusion that no further action, other than the discussions which I may have had with my colleagues, was required by me at this time.

Mr. Steuart: — A final supplementary, Mr. Speaker. I don't think that is good enough, I think there was a charge made . . .

Mr. Speaker: — Order, order! The Leader of the Opposition can't venture an opinion that he thinks that is not good enough because he is actually getting into a debate. Get to the point of the question.

Mr. Steuart: — The point of the question is that in view of the fact that the charge of bribery was made and no denial was ever made that there was not a charge of bribery made to a senior Minister

of his Government, is the Premier now prepared to look into it, regardless of the niceties in this House, is he now prepared to look into the fact that a senior member of his Government made a charge that bribery was offered by a Member of this Legislature, two Members of this Legislative Assembly. That is a fact, nothing to do with the niceties of withdrawal or not withdrawal . . .

Mr. Speaker: — Order, order! I think whatever it appears or not to the Leader of the Opposition he is in effect attacking the decisions that have already been made by the House with regard to this particular matter.

Mr. Cameron: — A supplementary to the Premier. Is the Premier satisfied that no Member of the Conservative Party made an approach to the Minister of Finance to obtain a copy of the Budget in advance?

Mr. Blakeney: — Mr. Speaker, I decline to express a point of view on that. I think that the matter has been aired in the House fairly effectively and I see no point in my answering the question asked by the Hon. Member.

Policy of Saskatchewan Disaster Fund

Mr. E. A. Berntson (Souris-Cannington): — Mr. Speaker, a question to the Minister responsible for the Saskatchewan Disaster Fund.

In light of the fact that many RMs are now planning restoration of grid roads, bridges, etc., that were severely damaged during our recent flood, and in light of the Minister of Municipal Affairs (Mr. MacMurchy) recent reply that policy relating to this fund would be announced in due course, could the Minister responsible for the fund indicate to this House when this policy will be announced so that RMs can indeed plan the restoration of their roads, bridges, etc.?

Hon. E. C. Whelan (Minister of Mineral Resources): — Mr. Speaker, in answer to the question, the policy will be very similar to the policy that was carried out during the year 1975. The first step will be to have the municipality in question pass a motion asking to be recognized as a disaster area. The machinery that was in existence last year is in existence at the moment and will be prepared to consider any applications. I will be making a further announcement in the next day or two giving details.

Deep Zone Oil Well Near Estevan

Mr. E. C. Malone (Regina Lakeview): — I would like to direct a question to the Minister of Mineral Resources. You will recall, Mr. Speaker, and the Members of the House will recall that some weeks ago the Minister made an announcement about a deep zone oil well near Estevan. At the time the announcement was greeted with some pleasure by all members of the House. It has come to my

attention that since that time that a Mr. Gallagher, the chairman of Dome has indicated to the Government that because of their existing royalty structure that this well and other deep zone wells would not be economically feasible to bring in because of this royalty structure. My question to the Minister: is this correct and have these representations been made to you?

Mr. Whelan: — I am not aware of Mr. Gallagher's statements so I can't comment on them.

Mr. Malone: — Have you had any communications whatsoever with officials from Dome Petroleum in this regard?

Mr. Whelan: — Only from you as a Member of this House. Up until now we have had no communication.

Mr. Malone: — Are you aware that this is the situation, that because of the uniqueness of this type of well, that is the deep zone well, that there should perhaps be some consideration given to the well through royalties to make it competitive with other wells?

Mr. Whelan: — Mr. Speaker, I am fully aware of the production of the well but I would have to have the permission of the people who are working on it to give that information. It is given to us in confidence. We have had someone on the site all the time and I am not aware of anything else.

Mr. Malone: — A final supplementary, Mr. Speaker. Are you considering making any alteration in the royalty structure for wells of the deep zone type.

Mr. Whelan: — Not until we have further information.

Community Clinics — Cut Backs

Mr. Collver: — Mr. Speaker, before the Question Period expires I believe the Minister of Health was ready yesterday to answer a question I put to him a week or two ago. I wonder if he might answer that question today pertaining to community clinics.

Hon. W. A. Robbins (Minister of Health): — Mr. Speaker, the question from the Hon. Member was with respect to the corresponding cut back in payments on the global budget system in community clinics.

Community clinics are not funded on the same basis as the number of patients through it as is the case in hospitals. Community clinics are provided with reasonable funds for operating their approved outpatient facility to provide health services to insured beneficiaries. Along with most other health programs community clinics have been faced with limitations on their operating budgets in 1976. I want to stress too to

the House, Mr. Speaker, that the physicians in the community clinics operate on global budgets and have their incomes related to the Saskatchewan Medical agreement.

Mr. Collver: — A supplementary question, Mr. Speaker. Are the community clinics paid on a line by line budgeting basis for their x-ray departments and lab facilities?

Mr. Robbins: — I haven't got the answer to that, I'll get it for you.

Mr. Collver: — Supplementary question, Mr. Speaker. I might assure the Minister that it is true, line by line in the same way that the x-ray departments and lab facilities of private doctors whose x-ray departments have been cancelled, were paid on a line by line budgeting. My question to the Minister is: on the basis of the line by line assessment of the needs of the community clinic in calculating their global budget is the Minister going to include the x-ray departments of the community clinics as part of the line by line calculation?

Mr. Robbins: — We will still be making payments to private radiologists in terms of their x-ray equipment. The reference you make with respect to the six — two clinics and four private doctors — is related to equipment that was purchased in 1962 at the time of the medical care crisis and is now fully depreciated. That is the reason for stopping payments on those particular items.

Mr. Collver: — Supplementary, Mr. Speaker. Is the Minister suggesting that the x-ray units that were cancelled are no longer operational and no longer functional because they were included, or have they been updated as the Minister may be aware?

Mr. Robbins: — The equipment in those particular doctors' offices and clinics was new equipment at the time of the medicare crisis and they would have had a real problem with respect to that equipment if the payments could not have been made to them, so a special arrangement was made with them, and that equipment is now fully depreciated. The agreement is now being terminated.

Mr. Collver: — A supplementary question, Mr. Speaker. Would the Minister not agree that if the equipment is still functional and still operational and still takes satisfactory x-rays that in fact it would be less expensive in light of the global budgeting arrangement that you had with those organizations that provide those x-ray services in the doctor's office or in the private clinic, that it would be less expensive having the pictures taken on that kind of equipment than having the pictures taken on new equipment in hospitals because they are not depreciated?

Mr. Speaker: — Order! Next question.

Private Oil and Gas Industry

Mr. Steuart: — Mr. Speaker, a question to the Minister of Mineral Resources. Is the Minister aware that in the first three months of this year in the three western provinces, Saskatchewan, Alberta and British Columbia, is he aware that of the \$57.5 million paid by the oil and gas industry, the acquisition of possible oil and gas bearing acreage, that roughly \$40 million was paid in Alberta, \$15.5 million was paid in British Columbia and only \$2 million was paid in Saskatchewan? And of that \$2 million, 60 per cent of it was by Crown owned corporations, Saskoil, Power Corporation, etc., meaning only about \$800,000 of the \$57 million was paid for the acquisition of possible oil and gas bearing land in the Province of Saskatchewan in the first few months of this year?

Mr. Whelan: — Yes, I am aware of that and I am aware of the fact that the Federal Government gets 27.4 cents out of every gallon of gasoline that is sold in eastern Canada while we are getting 9.3 cents, and the operators get about 25.4 cents. I think the position that the Federal Government takes is the main cause of the situation.

Mr. Steuart: — Mr. Speaker, a supplementary to that amazing answer. He said he was aware, I'll agree. Is the Minister now prepared in view of the proof that this indicates, positive proof of the disastrous position of the oil industry in Saskatchewan, \$800,000 out of \$57 million in the three western provinces only paid by the private oil and gas sector of the industry in this province, is he now prepared to take a look at Bill 42 and the other regulations that are having such a disastrous effect on the private oil and gas industry in this province. Is he prepared now to take a practical look and recognize that his policies have been a disaster to this province.

Some Hon. Members: — Hear, hear!

Mr. Whelan: — I am aware that the Federal Government gets ten cents a gallon at the pumps and we get 9.3 and we own the crude, I am aware of that. We have to take a good look at that too.

Mr. Steuart: — In view of the absolute ignorance of the Minister in this whole area, is the Premier . . .

Mr. Speaker: — Order! Next question.

Hospitals Under Review for Closure

Mr. L. W. Birkbeck (Moosomin): — A question to the Minister of Health. As part of your restraint program in your Department, are there any community clinics or smaller outlying hospitals, rural hospitals in particular, that are under review for closure at this present time?

Mr. Robbins: — No.

Vehicles Written Off

Mr. D. M. Ham (Swift Current): — A question to the Minister responsible for SGIO. Are vehicles being sold by SGIO as written off and subsequently repaired and put back on the road, safety inspected or certified?

Mr. Whelan: — This question was asked once before by the Hon. Member and I said we make every attempt to prevent vehicles that were written off from being put back on the road. We try to get a commitment from the people who buy them from SGIO that they will not put them in service again, but there is no law in this province at this time that demands an inspection before licensing a vehicle.

Mr. Ham: — Mr. Speaker, a supplementary. That's what I was getting at, Mr. Minister. This is why I am asking. Why not present some legislation to prevent these vehicles from either being driven or being safety certified before they are driven?

Mr. Whelan: — Well, this is something that I should like to see for every vehicle in this province. As a matter of fact, when I sat on the Legislative Committee on Highway Traffic and Safety, that was one of the recommendations. And I think that is the answer instead of just those that are repaired. I think every vehicle should be properly inspected and when and if that legislation comes before the House I will be counting on the Hon. Member's support.

ANNOUNCEMENT

Federal Anti-Inflation Legislation

Hon. R. Romanow (Attorney General): — Mr. Speaker, I should like to announce that Saskatchewan will intervene in the reference to the Supreme Court of Canada concerning Federal Anti-inflation legislation. It is the Government's view that very important constitutional principles are put in issue by this reference. A key question presented has to do with the circumstances in which the Federal Government can unilaterally apply its legislation to that part of the private sector which is ordinarily subject to provincial legislation. The province can, of course, delegate administrative authority to a federal board or agency but while the Federal Act contemplates delegation of authority with respect to the provincial public sector, it makes no provision for delegation respecting the private sector.

The constitutional authorities do recognize one situation in which the Parliament of Canada can enact legislation that goes this far even though the province is not delegated authority. That is where emergency conditions prevail such as in war time and in those circumstances the peace, order and good government clause of the Constitution can be invoked.

Mr. Speaker, Saskatchewan's position in the Supreme Court hearing will be that the Federal Anti-inflation Act and guidelines are valid in their application to the provincial private sector if the Supreme Court is satisfied that there is an

emergency which is real and serious enough to give this extraordinary power to Parliament. It should be kept clear that Saskatchewan's intervention does not imply that measures to control inflation are unnecessary. The problem is that the Federal Government may have gone about it in the wrong way giving rise to very real concerns about the constitutional implications for the provinces.

In the Supreme Court Saskatchewan will support the proposition that the Federal Government cannot unilaterally trespass upon areas within the exclusive jurisdiction of the province except in the case of a genuine emergency. The Government of Saskatchewan wishes to ensure, Mr. Speaker, that vital provincial interests will be safeguarded. There are regional differences and economic circumstances and the provinces must protect their ability to deal with what are essentially provincial concerns without overriding Federal control.

Mr. S. J. Cameron (Regina South): — Mr. Speaker, if I may respond briefly. I want to thank the Attorney General for having given me in advance a copy of his statement which he has just made. I appreciate that courtesy. I want to say on behalf of the official Opposition that we are disappointed with the stand the Government of Saskatchewan has decided to take. We view it as confirming what we have long suspected and that is that the Government of Saskatchewan is weak-kneed in connection with the fight against inflation.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — We, indeed, view this as further evidence that the Government has been paying lip service only to the national war against inflation and that at every turn when a tough decision has to be taken by the Government of Saskatchewan it, in effect, cops out.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — The first occasion, Mr. Speaker, was when we refused to sign the agreement with Ottawa. Now, second occasion, when the constitutionality of what Ottawa is doing is tested we come down on the side aligned against it. We say that is evidence that this Government is not and never has been prepared to make the tough commitment that is necessary in this country to fight inflation and we are disappointed indeed.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order! I just want to take this opportunity to remind the Members with regard to ministerial statements and responses that can be given and I quote from a ruling from the Journals of Saskatchewan, March 22, 1967:

It has long been the established practice of this Legislature for ministerial statements to be made upon Orders of the Day, and it is traditional that Cabinet Ministers should, as a courtesy to the House, if the House is in session, make any policy statement or announcement in the House, prior to announcing the same

outside the House. Each of such statements should be brief, factual and specific.

It has further been an established practice of the House to allow by courtesy, a brief strictly relevant comment to be made thereon by the Leader of the Opposition or some other senior Member, but it must be understood that a debate cannot take place, no motion being before the House.

Mr. Collyer: — Mr. Speaker, I, too, would like to thank the Attorney General for providing me with an advanced copy of his statement that he has made in the House. I do not believe, and the Progressive Conservative Party do not believe, that this intervention by the Government of Saskatchewan in itself proves anything other than the fact that it is advisable for the Supreme Court of Canada to rule on the emergent necessity for the anti-inflation controls in Ottawa. Otherwise, our position as a province and as a distinct sector of Canada will not be protected. To suggest, I think, as the Members of the Liberal Party have today, that somehow we should not ensure that the Parliament in Ottawa should not be allowed to take total control over the situation in Saskatchewan as it relates to the private sector is, I think, stretching the point rather a lot and is taking the position, I believe, that the Government of Canada should be entitled to control of the private industry and private sector in the Province of Saskatchewan which was formerly the bailiwick or aegis of the Provincial Government.

Therefore, I would like to commend the Attorney General for entering into this action to find out one way or another whether or not this was a constitutional move by the Government of Canada and if, in fact it is, I think, we proceed then to co-operate with the Government of Canada. If it isn't, we should co-operate with the Government of Canada in the fight against inflation at any rate.

Swift Current Legionaires Hockey Champs

Mr. Ham: — Mr. Speaker, if I can make an announcement, I should like to bring to the attention of the House, through you to them, that last night in Swift Current the Swift Current Legionaires in the tournament of champions defeated the Edmonton Jenners midget hockey team and thereby won the tournament championship of first place. I am sure that all Members of the Legislature would like to congratulate the team and the organizers of the event.

Hon. Members: — Hear, hear!

CONDOLENCES

Hon. A. E. Blakeney (Premier): — Mr. Speaker, since we last had condolences in this House we have been advised of the death of a former Member of this Assembly, Mr. Oak Valleau, and accordingly I would like, seconded by the Hon. Leader of the Opposition, the Member for Prince Albert-Duck Lake (Mr. Steuart) to move a formal motion of condolence and to add a few comments of my own.

Mr. Speaker, I move, seconded by Mr. Steuart:

That this Assembly records with sorrow and regret the passing since the last session of a former Member of this Assembly, and expresses its grateful appreciation of the contributions he made to his community, his constituency and to this Province.

Oakland Woods Valleau, who died on March 6, 1976, was a Member of this Legislature for the constituency of Melfort from 1938 to 1948. He was born in 1892 in Lennox and Addington County, Ontario, where he received his education. After coming to Western Canada on a harvest excursion in 1911, he homesteaded in the Moose Range district the following year, and later farmed in the Hanley, Kenaston and Aylsham areas. He served as Minister of the newly established Department of Social Welfare from 1944 to 1948 and was appointed Provincial Secretary for the same years. He was also Minister in Charge of the Saskatchewan Government Insurance Office and served on the Board of Directors of the Government Finance Office. He was a commissioner on the Saskatchewan Power Commission and later served on the Board of Directors of the Saskatchewan Power Corporation. From 1948 to 1962, he was Chairman of the Workmen's Compensation Board. He was an active member of the United Farmers of Canada, the Canadian Seed Growers' Association, the Saskatchewan Wheat Pool, and the Co-operative Movement. He was also a member of the Caledonian Curling Club. During the years 1945 to 1948, his son, Delmar, was also a Member of the Legislature, which was the first occasion that a father and son served together in the Saskatchewan Legislature.

In recording its own deep sense of loss and bereavement, this Assembly expresses its most sincere sympathies with members of the bereaved family.

Mr. Speaker, I should like to add to the formal words of condolence some personal remarks.

I knew Oak Valleau. I knew him reasonably well. I had known him when I was a public servant. I had known him following my move into politics. I did a little bit of legal work for him. I came to know and have a high regard for him.

He was Oak Valleau. I knew him reasonably well. I had known him when I was a public servant. I had known him following my move into politics. I did a little bit of legal work for him. I came to know and have a high regard for him.

He was a silver-haired man with a great deal of quiet charm. He was hard working and had a great capacity for mastering details. He had a little smile that used to sit on his face, a little quizzical smile, which in many ways was Oak's trademark.

His term in this legislature, ten years long, consisted of six in Opposition and four in Government. He played an active part in the first four years of the Douglas Government, which was productive of a great number of new ideas; some good, some bad no doubt, but certainly innovative.

The first Department of Welfare was organized under legislation introduced by Oak Valleau. When he was sworn into the Cabinet, immediately after the 1944 election, he was sworn in as Provincial Secretary and took over the responsibility for getting together two major new ideas . . . a separate Department of Social Welfare and the Saskatchewan Government Insurance Office, which at that time was being organized. He introduced

the legislation to create the Department of Welfare and became its first Minister. One of his first acts was the introduction of free hospitalization for the old age pensioners.

He was the Minister who piloted The Automobile Accident Insurance Act through the Legislature in 1946. And that was a stormy period since this was a new idea, the idea of government auto insurance. It was opposed at the time, both by the industry and by political opponents. But he introduced the idea and was the first chairman of the board of the Government Insurance Office.

Oak was defeated in the 1948 election, in the constituency of Melfort, by about 30 votes, a very close election. Subsequently he accepted an appointment as chairman of the Workmen's Compensation Board, a post which he held for more than ten years. Then he retired and spent a good deal of time in northeastern Saskatchewan in the Carrot River Valley where he had a host of friends, and also with his son Delmar who used to farm out between here and Moose Jaw, but moved to California to take an academic post. Delmar has continued to live in California and Oak has spent more and more time with Delmar and Mrs. Delmar Valleau. Oak continued in good health until very recently and enjoyed greatly his visits back to Saskatchewan, which they eventually became, summer visits where he met and talked with his host of friends. Mr. Valleau made a real contribution to this province as a pioneer, as a farmer, as a distinguished Member of this Legislature and I join with others in conveying our sympathy to members of his family.

Mr. D. G. Stuart (Leader of the Opposition): — Mr. Speaker, it's a privilege for me to join with the Premier in seconding this Motion and in saying a few words in memory of Oak Valleau.

I knew Oak Valleau from back in the 1930s, in fact his victory celebration in 1938 in Aylsham was the first political gathering I attended. My uncle had a store there. I won't pretend my uncle was a supporter of Oak Valleau, but he was a good friend of his. He said we had better go over and I think he had to see it, it looks as if Oak's going to win. He was leading another friend of my uncles, J. D. MacFarland, to go over and attend the celebration. So I went over and I had a little mild celebration. It was in 1938, in the theatre in Aylsham. As I say, that was the first political meeting I ever attended in this province.

I knew the Oak Valleau family. They were a very fine family, and still are. And some of them are still active in that area. I have one other remembrance of Oak Valleau and the Premier reminded us of his quiet smile. It was three or four days later, we were all gathered in the local Chinese café in the evening. And the attraction in those days was a rummy game and Oak was playing rummy. There was a pause in the rummy game and somebody says "how much are you going to make, Oak?" There was a long silence and he said, "I think it's \$2,400." And there was a longer silence because in 1938 \$2,400 was a pile of money. Somebody says, "What are you going to do with it, Oak?" Then he says, "I don't know, I haven't got her yet." So as I say, that's my first memories of politics really and first brush with politicians and my first memory of him, well,

not my first memory of him. He was very active in that community, in the co-op movement and a great many other community affairs.

As the Premier has pointed out, he was well thought of and his family was well thought of and well respected, as they rightly should have been, and he played an important role in the life of his community and of this province, as did his family. Many relatives are still in that area and they are still very active in community affairs.

So I join with the Premier and I'm sure all Members of this Legislative Assembly, in paying my respects to the late Oak Valleau, and passing on to his family our condolences and the fact that we do respect what he did. We know that in his passing he will be missed by not only his family, but by his many friends in this province and across this country.

Mr. R. H. Bailey (Rosetown-Elrose): — Mr. Speaker, the Progressive Conservative Members of this Assembly join with other Members in expressing our sincere condolences and sympathy to the family of Mr. Valleau. It is most obvious from the Premier and the Leader of the official Opposition that Mr. Valleau was a very devoted public servant who served his constituents, his party and the people of Saskatchewan with all sincerity. The name "Mr. Valleau" was familiar to me. It was about that time that I began to take an interest in Saskatchewan politics as a young person. On behalf of the Progressive Conservative caucus we would like to extend our sympathy and join with other Members of this Assembly in extending to the family our deepest sympathy at this time.

Mr. N. Vickar (Melfort): — Mr. Speaker, I too would like to extend my sympathy to the Valleau family in the passing of a father, an uncle and a brother, to the many close friends and associates. Mr. O. W. Valleau came West in 1912 and found his way to the Moose River Range district, where he farmed until 1920. He then left for better farming territory in the Hanley and Kenaston areas. He farmed there until 1929 and then returned to the Moose Range district.

In 1915 Mr. Valleau married the former Eliza Storey and later they had their only child, Delmar. Interesting to note that it was Eliza's father, Mr. Storey who pioneered the Moose Range district and at that time named the Moose Range post office, Moose Range, because of the existing number of moose in the area.

Mr. Valleau was an active member in the old CCF movement, and a member of the Saskatchewan Wheat Pool. And though not a resident of the Melfort constituency at that time, he was called upon to seek election for his party in the seat in 1938. He was elected at that time, being one of the first CCF Members in the Legislature and the first CCF Member elected in the Melfort constituency. In 1944 after his re-election, he was appointed Minister of Social Welfare and the Provincial Secretary and held that post until he was defeated in 1948.

Mr. Valleau's only son Delmar was elected to the Saskatchewan Legislature in 1944 and served in the House, along with his father, until 1948. Mr. Valleau was a well respected citizen in his community, as well as in government circles. From the information that I have, he was like a father to most

of the people whom he represented. He was a very quiet spoken gentleman and very well thought of in the whole community.

Mr. Speaker, I would, therefore, like to add my condolences along with the many others, to the family and friends of the late Mr. O. W. Valleau. Mr. Valleau was laid to rest in the Los Angeles cemetery, alongside his wife Eliza. The prayer service was held in Aylsham on Monday, April 12. I had the occasion to be at that service, along with other Government Members.

Mr. Blakeney: — Mr. Speaker, I move, seconded by the Hon. Leader of the Opposition (Mr. Steuart):

That the Resolution just passed, together with the transcripts of oral tributes to the memory of the deceased Member, be communicated to the bereaved family on behalf of this Assembly by Mr. Speaker.

Humble Address No. 1

Mr. S. J. Cameron (Regina South): — Mr. Speaker, I move that an Humble Address No. 1 be presented to His Honour the Lieutenant-Governor praying that His Honour will cause to be laid before this Assembly:

Copies of all correspondence between members of the Executive Council of the Government of Saskatchewan and officials, elected and non-elected of the Government of Canada during the period January 1st, 1973 and January 1st, 1976, about the possibility of establishing in Saskatchewan a Crown owned and operated potash marketing board or agency.

Hon. R. Romanow (Attorney General): — Mr. Speaker, just very briefly before I beg leave to adjourn the debate. I'd like to have an opportunity to consider, in more detail, the question that is before this House. I am somewhat troubled by the wide scope of the nature of the question. In my experience in 1970 when a similar motion was presented by us, as Opposition at that particular time, the humble Address was directed with respect to copies of correspondence as between governments, namely the Government of the Province of Saskatchewan and the Government of Canada. As an aside, that Motion was defeated by the government of the day. As a further aside, one of the gentlemen who spoke to that was the father of our mover, the Member for Regina South today, when the former Mr. Cameron Senior was Minister of the Crown, on the grounds that this is ongoing and not in the public interest.

But leaving that issue aside for the moment, the question is whether or not it is in the public interest, if the question is properly put. Leaving that aside for the moment, if one looks at what is being requested here, Mr. Speaker, it's copies of all correspondence between members of the Executive Council of the Government of Saskatchewan and officials, elected and non-elected of the Government of Canada during the period January 1st, etc. And I'd like to have the opportunity to examine this in further detail, but, my reading of that notice of motion or that intention says it extends beyond the normal

request as between government and government. That in effect is what the Member is asking for, copies of correspondence as between members of the Executive Council and of the officials, if my interpretation is correct. I don't pretend to be firm on that because I need some time. This will certainly be very unprecedented because I'm sure as all Members opposite would acknowledge, government cannot function unless officials give documents to Executive Council members and vice versa, Executive Council members back to officials. Similarly, documents between the Executive Council members can be transferred in the best interest of dispatching public business. Now, that's what I believe what this motion is really getting at. And if I'm right, I simply want to say that that would be wrong for us to adopt and secondly, it would be wrong precedent to adopt. I think we should limit it as between governments, if that is the intention. And if that is the intention then I think another issue arises as to whether or not it's in the public interest to be able to reveal such correspondence. One can see, therefore, Mr. Speaker, that there are many aspects to the question and I would like to have an opportunity to consider it and, therefore, I beg leave to adjourn the debate.

Debate adjourned.

RESOLUTIONS

Resolution No. 12 — Borrowing Money for the Acquisition of Potash Mines

R. S. J. Cameron (Regina South) moved, seconded by Mr. MacDonald (Indian Head-Wolseley):

That this Assembly urges the Government of Saskatchewan to borrow money for the acquisition of potash mines solely on the security of the mines purchased or expropriated so that in the event financial difficulties are encountered the general revenues of the Province and hence the medical care and hospital plans, education, highways, agricultural and other programs are not exposed to the financial risks incurred in acquiring potash mines.

He said: Mr. Speaker, this Resolution requires or rather urges the Government in its financing of the takeover of some or all of the potash mines in the province, to limit its security that it grants in connection with its borrowings to the mines themselves rather than to have that security attach to the general revenue of the province.

May I say at the outset that we remain as opposed to this move by the Government as we have ever been. We consider it to adversely affect the investment climate of the province; it clearly does that. Secondly, we think that the move, as we said earlier, is a confession of failure by the Government in failing to govern properly an industry in the province.

We continue to believe that it is taking a risk which isn't necessary and which is needless and but for the failure in government would never have been undertaken. We have had some opportunity these past several weeks to observe indeed some of the things which we were predicting in early November beginning to come true.

One in particular is that we said that the Government's decision to take over part or all of the potash industry was likely to result in the Federal Government looking at taxing Crown corporations, because it represented a further erosion of the national tax base. Of course, we are seeing evidence now on a daily basis of exactly that kind of consideration being given in Ottawa to taxing Crown corporations and it is something which in the weeks ahead we feel fairly sure is going to result in a constitutional confrontation between the two levels of government.

Specifically, when the Government made the announcement to get into the potash industry by purchase or by expropriation of some or all of the mines, it gave to us two assurances and two important assurances. It said first that the amount of money borrowed to make the acquisition would be a self-liquidating debt. That is to say that the mines themselves and the production from the mines were going to have to pay the bills and pay the borrowings.

The second assurance it gave to us is that the borrowing of the funds to acquire the mines would in no way affect the general revenue position of the province and the province's health programs, school programs and the like.

Those two assurances are very important. What I want to ask is: what has become of those assurances which were given to us in November and in December? They seem indeed, Mr. Speaker, to have been forgotten and to have fallen by the wayside.

I am told that the Minister of Finance was in Toronto some weeks ago and met with the Broker/Dealers Association in Toronto. He canvassed with them the possibility of floating four Saskatchewan issues on the international market, each in the amount of \$230 million. That would be four issues of \$230 million, with a premium rate of 10 per cent. I am told that the brokers indicated to the Minister that it was possible to do that and some portion could be raised domestically and some portion of it had to be raised outside the country.

If what I am told is true it means that the Government of Saskatchewan is now making some formal approaches in connection with the borrowing which could reach \$920 million at an interest rate of 10 per cent. That would be a borrowing in respect of which the security would not be the mines themselves, but would be the people of Saskatchewan. That is an important distinction. If, in fact, the debt is to be self-liquidating, and if in fact the borrowings to purchase the interest in the potash mines is not to adversely affect the general revenue position of the province, then what is the Province of Saskatchewan doing borrowing on its general credit rather than borrowing on the security of the mines themselves? And that is a very important distinction.

There are two ways in which the Government can raise the funds it needs, the \$500 million or the \$1 billion, the figure the Premier has given us — one, is to borrow on the security of the mines; the other is to borrow on the general credit of the Province of Saskatchewan. These are very different ways to secure the indebtedness. Let's examine those a little further.

If the Government of Saskatchewan acquires a potash mine and if that potash mine is a success, the loan will be paid out of the successful venture. If the security is restricted

to the potash mine then in the event of failure it is the mine itself which has to bear the burden alone and not the general revenue of the province. The distinction is, if the security of the borrowing is limited to a mortgage or to a debenture on the mines themselves, then indeed it is possible at least for the borrowing to be self-liquidating and then it is possible that the borrowing would not affect the other general programs of the province. But unless the borrowings are secured in that way, that is on the security of the mines themselves, not on the general revenue or the general credit, then the Government is not following through on its assurance that the thing will be self-liquidating or it would not adversely affect other programs in the province.

This is an issue that we feel particularly strong about. We have opposed, and we continue to oppose the takeover as a nonsensical move; as one which affects the province badly and we see the effort by the Government to borrow the money on the general credit of the province, pledging all of the assets of the province, as a breach of two fundamental assurances that we were given.

One, that it will be self-liquidating and, secondly, that it will not affect the other programs. Because the fact of the matter is, if we borrowed \$920 million on the general credit of the province and the debenture went sour, what would happen? We would have to divvy it up, we the people, the divvy-up doesn't come from the mines alone, we will lose those and we will have to divvy-up the balance.

Secondly, if we get ourselves into that kind of a bind it means that we have to cut back on programs such as the health care programs and the educational programs. It follows as the day goes the night. That is our objection. We have indicated to the Government that if it is sincere in the assurances that it gave us then it ought to limit the security of its borrowing to the mines themselves, to the operations themselves.

We can only conclude from the approaches that have been made, the approaches particularly that I have mentioned, that the Government is not in fact sincere in those assurances to the people of the province. And these are meaningful assurances. These are assurances which people are very interested in because one of the concerns they have, which they express most frequently if you talk to them, is, what happens if markets go sour or prices decline and it turns out that we have failed in connection with the potash takeover? What does it do to our hospital programs, or medicare programs? They say the Government has given us assurances that those things won't be affected. So you tell them it depends on how the Government borrows its money. If it does it with general bond issues against the assets of the province as a whole, it can affect your hospital programs and your educational programs and your highway programs because it means that we as the people generally would have to divvy-up the money we borrow.

We, therefore, took a position earlier in this Session and that was that if we form the Government three years from now we will do whatever is necessary to transfer the security which the Government of Saskatchewan gives for its borrowings, from the backs of the people themselves to the potash mines. We have served notice on the people who are prepared to do the lending and we have served notice on the Government that if we

form the Government three years down the road that is what we will do. We will do whatever we can to see to it that the mines themselves will carry the burden of the loans and not the people. That is the purpose of the Resolution, to try again to bring the Government to its senses in connection with the financing of the project. And to underline, again, at this stage, the assurances that were given us in November and have fallen by the wayside.

I move Resolution No. 12.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, I will just say a few words and then I understand that I will be followed by the Member for Indian Head-Wolseley, who will be asking for leave to adjourn the debate and that is fine as far as we are concerned.

I should just like to say very briefly, Mr. Speaker, with respect to this Resolution, that quite obviously I, as one Member of the Government, and as a Member of the Legislative Assembly, cannot support this motion and there is a very good reason for doing so, which I will outline very briefly.

First of all, Mr. Speaker, the Member for Regina South may not be aware, but I am sure that his Leader is aware of it, so is the Member who will be following me in the debate, that the financing of Crown corporations, all Crown corporations in the Province of Saskatchewan right now is done basically by raising long-term capital needs through securities issued by the Department of Finance, the very method that the Member for Regina South is deploring in the case of this one particular Crown corporation.

Mr. Speaker, when financing is raised in this way, as it was prior to 1964, and as it was almost without exception between 1964 and 1971, the securities become the obligation of the Government of Saskatchewan and, as such, there are no direct relationships to the Crown corporation on whose behalf the money has been raised. That is the argument that can be certainly advanced in technical legal terms with respect to the obligations that may arise.

Mr. Speaker, I should like to say that this approach has been uniformly adopted for years now with respect to Crown corporations. I think there may be one or two exceptions. I have not yet had an opportunity to check them out in every case, but in almost every one of those smaller instances where Crown corporations issued their own securities as a Crown corporation, these are guaranteed by the Province of Saskatchewan. And in these latter exceptional cases, money which was raised through a private placement with banks, was almost always in this type of a case, supported by a provincial guarantee. The provincial guarantee was, of course, very acceptable to the banks because it is almost the equivalent of a direct provincial security issued by the Department of Finance. It amounts in effect to a similar proposal. After all, Members will agree that in that type of a circumstance the Government of Saskatchewan or the province, if you will, accepts full responsibility in its general terms for the securities which are being issued and the guarantees that are being made.

Mr. Speaker, there is a very good reason why this route has been followed in the past, both under the CCF and under the Liberal Government. And the primary reason for this is that by financing some of the operations of the Crown corporations in this way one can raise money on a cheaper basis than would be done in other ways. Certainly in any way that has been advocated by the Member for Regina South in his Motion.

If securities were issued under the security of a corporation only, as the Member would advocate should be done in this one Crown corporation presumably, that obviously there will be ramifications to be considered not only for the corporation but also for the principle of financing for Crown corporations.

Mr. Speaker, I think whether one agrees or disagrees with the concept of Bills No. 1 and 2, the potash takeover policy — and goodness knows there has been a lot of disagreement and there will continue to be lots of disagreements — I think that it is incumbent upon all people of Saskatchewan, including the Opposition, to make sure that once the legislation and the program has been enacted that their efforts be geared to making it as successful as possible. I was shocked, frankly, Mr. Speaker, when reading a newspaper report of remarks made during the course of the Budget Debate by the Member for Indian Head-Wolseley (Mr. MacDonald) a few weeks ago at the almost direct statement that if he personally and if he through the Liberal Opposition could see the charges on the Province of Saskatchewan increase substantially, the higher interest rates, he would be very pleased to do so, because in his logic, I submit, perverted or subverted in this area, somehow this would be doing a good blow to the overall point that his cause maintains.

I don't agree with that, Mr. Speaker, and I submit that the public doesn't either. In the break since the passage of Bills 1 and 2, I have talked to many people, some of whom don't agree with the policy taken by the Government, but almost all of them saying it is incumbent upon all of us now in the interests of Saskatchewan to make this succeed. I think that that is the case and one aspect of success would be, of course, to make sure that the raising of money is raised at the cheapest and the best way, in the best interests of the people of the Province of Saskatchewan. That is the basis of the philosophy by which Crown corporations are now funded, something which this Motion seeks to deviate from.

The point that I want to emphasize, Mr. Speaker, in my very brief remarks, is that this recommendation contained in the Motion by the Member for Regina South, is a clear and radical departure, an unprecedented departure I would submit, from past practice in raising the long-term capital financing of Crown corporations in the Province of Saskatchewan.

I want to say one other thing as well, Mr. Speaker. I don't have the complete up-to-date figures on the total amount of outstanding long-term debt that now stands in the name of Crown corporations. I was going to adjourn the debate to dig that up, but I will give my colleague the Member for Indian Head-Wolseley the chance to speak and adjourn the debate. Maybe someone else will speak to it after me.

But if my memory serves me correctly, the outstanding

long term debt presently on all Crown corporations in Saskatchewan is currently slightly in excess of \$800 million. Debts which are, in effect, secured by Department of Finance securities and issues. Debts which have been assumed in the normal usual fashion that I have described, assumed by the Leader of the Opposition when he was Minister of Finance, supported by former CCF administrations in this regard. And that this should be something so wildly unrealistic or unheard of, I don't expect that the people of Saskatchewan would believe the Member for Regina South.

Mr. Speaker, \$800 million of debts approximately on existing Crown corporations which are not a charge on the taxpayers of the Province of Saskatchewan. That is a fact. These are obligations which are financed out of the proceeds of those Crown corporations in the family of Crown corporations, and paid for in that regard. They are not a charge on the regular programming. They are not involved in the budgeting process that is before us in Estimates. They are raised through the Crown corporations, through the Department of Finance for the purposes of the Crown corporations.

That is a very satisfactory way of doing business in the Province of Saskatchewan. It has proven to be so over the last 25 to 30 years, since Crown corporations have worked. We have the lowest power rates, the lowest car insurance rates. Our telephone rates are comparable. Our sodium sulphate Crown corporation is a profitable one. And while there have been some setbacks, on balance, the totality of the Crown corporations tally sheet is an excellent one, and one that is very commendable for the people of the Province of Saskatchewan in doing the financing in this area.

Mr. Speaker, in regard to potash, the debt is self-liquidating, the promise that we made with respect to the Potash Corporation, and secondly does not affect regular programming. And yet, at first blush somebody might be surprised by the size of it. Those two promises are maintained apart from anything else in the Crown corporations regularly with that size of debt. I think if you describe it in those ways to the people of the Province of Saskatchewan, they too, can equally see that any debt that may be assumed by the Potash Corporation of Saskatchewan, now a new member of the family of Crown corporations will be equally supported and maintained in this area as well.

So, Mr. Speaker, I can't follow the Member for Regina South's logic when he says that our promises have been broken or there is an indication they may be broken, a fear that they may be broken. They are not broken certainly by the debts that are existing in other Crown corporations. There is absolutely nothing to suggest that they can be or will be in this regard.

Now, Mr. Speaker, I will take my seat. Before I do I must conclude on one political note, if I may, for just a couple of minutes. And that is, I think, a very valid point to be made and that is on the question of why this departure? Why the Liberal Party is advocating this departure from financing of Crown corporations? It is a radical departure. Mr. Speaker, I ask the Members to challenge that statement, that it is radical, because it is.

I say, Mr. Speaker, this is perhaps a very ominous sign for the people of Saskatchewan. It is very ominous because . . .

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, if they are prepared to do this for the Potash Corporation of Saskatchewan, yes indeed. Mr. Speaker, it is not credible for the Opposition to say that with respect to this one Crown corporation we are going to do this, but for the others we are going to leave it untouched. It is particularly incredible, Mr. Speaker, for the Opposition to take that position when we know full well, for example, in 1965, virtually by the admission of the Leader of the Opposition of this House, SGIO was on the selling block. What other way . . .

Mr. Steuart: — . . . sell it.

Mr. Romanow: — Yes, by virtue of the Leader of the Opposition. I can look at the records in this regard, this Session or the one which just concluded. One easy method for the Liberal Opposition to do away with any Crown corporation they would want is to simply either sell it or to change the ground rules for financing. If they are prepared to do that Mr. Speaker, with respect to the Crown corporation known as the Potash Corporation of Saskatchewan, then I submit to you, Sir, that it is equally conceivable for them to do the same thing with the Saskatchewan Power Corporation, the Saskatchewan Telecommunications or the Saskatchewan Minerals.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — We have seen an unprecedented attack on the principle of Crown corporations in this House. I think the last time I have witnessed such an attack since the election of 1975, was when I first became a Member of this House in Opposition when if it wasn't for, if I may say with some modesty, for the diligence of the Opposition, the Liberal Government would have really sold many of the Crown corporations of the day. We have seen that rage against Crown corporations subside and now we see again this very negative approach to the principle of Crown corporations raise its ugly head in the Legislative scene of Saskatchewan again.

Mr. Speaker, I was, and am still very disturbed having thought that the principle of Government Insurance, for example, as one Crown corporation having been established 25 years ago, that we had to fight that battle all over again in 1976. But it appears that we are going to have to with the Liberal Opposition and the Conservative Opposition.

Mr. Speaker, I want to emphasize again, strongly, to this House and to the people of the Province of Saskatchewan that there is more to this motion than the question of the Potash Corporation financing. At issue here is the financing of Crown corporations, generally, because the Liberals if they are prepared to do it in this area will be prepared to do it if they should ever gain power again, in some other area that they find objectionable. I say to the people of Saskatchewan, be on guard lest the Liberals get control of this area. We can't allow them to dismantle Crown corporations operations.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, now I really feel a speech coming on but I won't do this, because I wanted to make the point as I said conclusively. I said earlier, this is a new method of financing. This is a very radical departure in financing and I would simply ask the Liberals to please stop their attack on Crown corporations.

Some Hon. Members: — Hear, hear!

Mr. C. P. MacDonald (Indian Head-Wolseley): — I wonder, Mr. Speaker, if I can keep my remarks as calm, as cool and ridiculous as the Attorney General. Let me ask you, Mr. Speaker, the Attorney General says we have just made an attack on Crown corporations. What is that attack? The attack is to merely say to the NDP, put your money where your mouth is. That is the attack. What the Attorney General has just done has proved beyond a shadow of a doubt that the concerns of the people of Saskatchewan about mortgaging the future of this province are in fact true. Are in fact true. Because you have said to us it is a self-liquidating debt. It is the kind of a debt that will not be on the shoulders of the people of Saskatchewan. It will not interfere with other government programs, but we will not let it stand on its own feet.

Mr. Speaker, he has proven beyond a shadow of a doubt that the concerns of thousands and thousands of people in Saskatchewan about the risk of the potash venture is really in fact a true concern.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — One of the things when we first proposed this particular policy or departure as the Minister indicated was to clearly differentiate between the two types of Crown corporations in Saskatchewan. The Minister likes to refer to Sask Power and Sask Tel, as similar to Sask Potash. The citizens of Saskatchewan are not fools, they know there is a difference between Sask Power and a private business venture. Sask Power is a monopoly and there is absolutely no risk on the taxpayers' money. Because Sask Power has the ability to charge whatever rate is required to retire any debts or to look after any capital expansion. In fact, we have had a good example of it this year. Immediately following an election they dramatically increased the surcharges of every Crown corporation in Saskatchewan. Sask Power, Sask Tel, SGIO, and all of them, are monopolies in order to prevent any kind of a deficit.

Mr. Mostoway: — Still the lowest in Canada.

Mr. MacDonald: — Sask Power, for goodness sake, has the highest industrial rates of any Crown corporation in western Canada. The highest Crown corporation. It is the highest and you know it as well as everybody else.

All I want to tell you, Mr. Speaker, is that what we are saying is that there is a distinction. And this distinction is very easily recognized. There is a distinction between a monopoly service provided by a Crown corporation that has no

competition within the Province of Saskatchewan and only provides service in Saskatchewan, like Sask Power or Sask Tel. Not only has it no competition, but it has a captive market, it completely controls these services, sets its own rates.

Let's take an example and compare that with Sask Potash. All of a sudden, as the Member for Regina South has indicated, we must compete in an international market. We must look after the ups and downs or the peaks and the valleys of the international market of potash and fertilizer. We have just seen some of the things that have occurred in the last two or three months, when all of a sudden the price of potash has dropped from \$90 to something like \$70. All of a sudden right now the potash market is declining, the companies have the highest stock pile, where potash mines are now closing parts or portions of their production, laying off their employees because of the surplus position of the international market. We are now watching the Russians coming into the North American market, which has been traditionally a North American market between New Mexico and Saskatchewan. We are now watching all the difficulties that could occur. All we have said is very simple. If the NDP are convinced that this is a good deal, why should they have any change or any difference in the financing of the operation of this venture than any other venture in the potash industry by any private corporation?

If they say, as they indicate, that they have all the courage in the world, they have all the hope and optimism for potash as a Crown corporation in this province, then why should they turn around and ask the taxpayers of Saskatchewan to guarantee any financial obligations that they may undertake when any private concern would come in here and do it on their own.

The most important thing he says that it is a departure from other Crown corporation finances. Of course it is. The Minister also said that the total debt of the Province of Saskatchewan is \$900 million. What he is asking in this particular venture is to increase the debt from \$900 million to \$2,500 million, if we take over the whole works. There are two fundamental differences between past and present Crown corporation programs.

One, is the size of the venture, the billion and one-half dollars that might well be risked.

There is a second one, the expropriation aspect. The fact that they have permitted within the legislation the power to take over, by expropriation or by legislative action, the power or the ability of a private corporation to produce potash and to sell it on the international market within our boundaries.

So there is a distinction. All we are asking in this particular resolution is that the Government of Saskatchewan assess thoroughly the risk of where they are going. Somebody said, this might well turn around and force a higher interest rate. I don't believe that. I don't believe that that will necessarily occur if it is a good venture. Then surely the Government of Saskatchewan, or the Potash Corporation of Saskatchewan has the ability to go and borrow money the same as any private corporation and they shouldn't be charged any more. All we are asking is that the lender assess the venture itself, and not the taxpayers of the Province of Saskatchewan. If it

is self-liquidating, if it will not affect the rest of the programs in this province, then all that this particular resolution will do is to ensure that that is a fact. That that jeopardy will not be there, that the Potash Corporation of Saskatchewan will stand on its own feet.

Mr. Speaker, I think this is a good resolution. It sets a new trend. Not in monopoly Crown corporations but it says to the business people of Canada and the business people of Saskatchewan, that if the Government is going to interfere in my domain of private business, if they are going to expropriate, if they are going to drive me from this province, then they will have to stand on their own two feet and provide a successful venture, the same as I did or any other private corporation in Saskatchewan. I think that is very important.

Mr. Speaker, I had not intended to speak today, I have many more things to say on this particular resolution, I beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 2 — Commends Saskatchewan Government Insurance Office

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. Koskie (Quill Lakes):

That this Assembly commends the Saskatchewan Government Insurance Office for the following achievements:

(1) in a period of stress that has led a number of insurers to withdraw from business in Saskatchewan and elsewhere in Canada, maintaining the lowest automobile insurance rates in Canada and at the same time meeting the reasonable requirements of all Saskatchewan residents who need such insurance;

(2) in recognition of the contribution made throughout their lives by the senior citizens of the province and as a token of appreciation to them in this time of need making available to them at a substantial premium discount a policy of insurance described as the "Pension Pak" which provides insurance against damage to their homes and contents by fire, lightning and explosion, sewer backup, theft and various other allied perils.

Mr. J. G. Lane (Qu'Appelle): — Mr. Speaker, I just have a few words to say on this particular Resolution.

The Resolution seemingly is designed to pat SGIO on the back and for that reason, of course, is one of the most hypo-critical resolutions ever to come before this Assembly. In fact, I apologize first at the outset . . . I have had a comment from across the way, Mr. Speaker. I hadn't intended waking up the Minister of Social Services (Mr. Rolfes) and for that I apologize to the House. Seemingly I have done so.

Mr. Speaker, the interesting thing is that due to the

political involvement of the Government opposite is that as it reaches its tentacles into SGIO, we don't know for example whether or not the Saskatchewan Government Insurance Office has maintained the lowest automobile insurance rates in Canada. The fact is that in order to superficially maintain lower rates the Government has been forced to subsidize. It is the typical fuzzy-headed socialist thinking that if you take it out of one pocket or subsidize it, that people won't know the direct costs and you will get away with it and then you can call it cheap. The fact is, I venture to guess, that if SGIO was able to take into account the political hacks whom they are forced to keep on the payroll, the subsidization that the Government imposes on SGIO, that in fact, in our urban areas we would have among the highest rates of automobile insurance in the Dominion of Canada.

The fact is, as is well known to the Members opposite that for many, many years, SGIO has had the highest rates in rural Saskatchewan, the highest rural rates of any automobile insurer in the Dominion of Canada.

The comparisons have been made for years between Brandon, for example, and the city of Regina. Brandon, when it was under private insurers, had cheaper rates than the city of Regina. The reason, of course, being that SGIO from the outset has required the farmers and the people in rural Saskatchewan to subsidize the high risk urban drivers so that we have a uniform rate across the Province of Saskatchewan.

If we were able at some point in the future, and perhaps we will be, to actually go back and find out the actual costs of insurance for the people of Saskatchewan, I venture to guess that SGIO is going to be proven one of the more expensive insurers in the Dominion of Canada.

We also have the hypocrisy set out in the second part of the proposed resolution and that is seemingly the token contribution to the senior citizens of the Province of Saskatchewan.

We note the refusal of the Government opposite, notwithstanding the Senior Citizens' Commission, to refuse to bring in a guaranteed annual income for senior citizens. Further, we note the dissolution or the ending of the Senior Citizens' Home Repair Program in this year's Municipal Affairs budget where it's reduced by approximately \$4 million.

Now contrasted to what the Resolution says, we know that the record of the Government opposite on senior citizens is surprisingly weak after the election was over and I'm a little surprised at the attempt of the Member for Quill Lakes (Mr. Koskie) to really put this type of motion before this Assembly. I'm a little surprised. I can't believe that the Member for Quill Lakes, and I wish he was in the House, because we could attribute some motives perhaps. Perhaps he would be going so far as to be bucking for the Minister of Social Services' position and that's perhaps why he mouthed this ridiculous resolution, a resolution that really doesn't reflect the true situation in SGIO and doesn't reflect the politicisation of SGIO by the Government opposite.

Some Hon. Members: — Hear, hear!

Mr. Lane: — We take a look through the annual report of the Saskatchewan Government Insurance Office and I'll start with

the board of directors. First of all it's little known to the public that the SGIO is the only Crown corporation to now pay individuals, honorary members of the board of directors or functionaries of the board of directors, a hundred dollars a day for attending board of directors meetings. Now that's over double what the other Crown corporations do. Let's look at a particular individual, or some of the individuals appointed.

One, Mr. T. Zarzeczny, seemingly independent, well known lawyer, supposedly very competent official. This indicates one example of how the Government opposite is getting its political, as I've said, tentacles into a supposedly independent Crown corporation.

If we go back, Mr. Speaker, and a little background of Mr. Zarzeczny and I'm surprised that the Minister of Social Services has closed his ears, because he may not want to hear what's coming up and I notice too, that the Party Whip opposite has become silent because I think that both of them have heard of Mr. Zarzeczny. I think for the edification of Members opposite, it would be wise to remember a little background. That a few years ago the Government opposite got caught with its hands in the cookie jar. It awarded in one of the most corrupt deals ever brought before this Assembly, it awarded some contracts to Delta Holdings Limited and fortunately at that time, as Members opposite know, there was a left wing magazine called Next Year Country, that brought the attention of the House . . .

Mr. Speaker: — Order! I will caution the Member to stay on the resolution that is before the House at this time. I believe the matters the Member is discussing are foreign to this resolution.

Mr. Lane: — Mr. Speaker, with all due respect, we are discussing SGIO and part of the resolution is commending the Government Insurance for its following achievements and I'm quoting the true record of SGIO, into the record of this Assembly. The record is, and I will be proposing an amendment to this resolution, Mr. Speaker. The true record is that that particular resolution does not reflect the true position. The true position is that the Government opposite is making SGIO a political football, is making the SGIO an arm of the political party of the Government opposite and in fact is sacrificing the efficiency of this particular Crown corporation to its own partisan political ends.

I'm going to prove that by, as I have said Mr. Speaker, looking at the board of directors of SGIO and I've indicated one of the directors is Mr. Ted Zarzeczny. I'm giving this to the House for the edification of some of the new Members opposite. Now I know Mr. Speaker has heard it before, but some of the new Members opposite haven't. that is . . .

Mr. Mostoway: — Against Ukrainians too!

Mr. Lane: — No, I'm just against political corruption wherever it may stand and that includes on your side of the House and it's nothing to do with the ethnic background of any individual and if you can't make that distinction then I would

suggest you resign your constituency. In fact, Mr. Speaker, a corrupt deal was entered into by the Government opposite in 1973 between the Government opposite and Delta Holdings Limited and some of the other Members opposite smile because they recall it.

The fact is that that particular system cost, or those particular contracts which were made to two well known New Democrats who were awarded a tender, they were told they would get the tender on some houses to be built in the North before they even incorporated. They were given word that they would get the contract as soon as they applied.

That particular deal cost the people of Saskatchewan several thousands of dollars. As a matter of fact because the particular company had never been in the construction business beforehand and it was awarded, I believe, 30 some new houses to construct in the North, it never completed anywhere near that number and defaulted in the contract and left the Department of Northern Saskatchewan short. Again, something to be paid by the people of Saskatchewan. It should be kept in mind that two of the principals were well known New Democrats.

It was such a nefarious affair that even some of the honest Members of the Government opposite decided that they should investigate the matter. So the party appointed one Mr. Zarzeczny.

Mr. Speaker: — Order! I believe the Member is out of order. The Member I would suggest is probably quite in order talking about who the directors of SGIO are, but I can't see and haven't been able to perceive at this time that there's any connection with Delta Construction or construction of houses in northern Saskatchewan, or the success or failure of that company. It's irrelevant to the resolution.

Mr. Lane: — It's just become relevant, Mr. Speaker, because the New Democratic Party had an internal investigation into that particular corrupt deal and one of the individuals who was chairman of the committee to investigate was one, T. Zarzeczny, and I submit to the House the same Mr. Ted Zarzeczny, is now on the board of directors from the SGIO. As an aside, and I know this is off the record, that the committee report was a whitewash, but one of the payments in return for the whitewash I submit was the appointment of Mr. Zarzeczny to the board of directors of the Saskatchewan Government Insurance Office. A well known political partisan who did nothing but cover up a corrupt deal, gets appointed to the Saskatchewan Government Insurance Office and I'm a little surprised that the Member would bring in a resolution trying to condone that type of activity.

I've mentioned in the past, and I say it now, the fact that not only has the Government opposite brought politics into the board of directors of SGIO, which I suppose has been the standard practice in the past, but I don't know if it's been to this extent. One hundred dollars a day, which is double what has been paid before, but this Government is inserting the political organizers right into the administration of SGIO. I'm going to refer for example to one D. Cody, who happens to be a Member who was voluntarily retired by the will of the people in Qu'Appelle constituency in 1975. Now Mr. Cody was

well experienced in the field of insurance because for many, many years he had been an insurance adjuster. As a matter of fact, the indications are that Mr. Cody had so much experience as an insurance adjuster he had the longest term as an insurance adjuster I, before he became an insurance adjuster II. That is a record that still stands in SGIO.

The interesting thing is that Mr. Cody, as an insurance adjuster II, only had . . .

Mr. Allen: — . . . Toronto Maple Leafs.

Mr. Lane: — I'm sorry too, to have disturbed the Hon. Member for Regina Rosemont (Mr. Allen) who again doesn't want to hear the truth about SGIO. Certainly doesn't want to have it in the public record, and I'm sure that's why he's interrupting.

But Mr. Cody happened to lose the election last time and the Government opposite didn't take the token approach of naming him to the board of directors or anything of that nature, or giving him a nice safe . . .

Mr. McMillan: — Who was it that beat him?

Mr. Lane: — Well, the disheartening point is I think anybody could have beaten him, but the fact is that here was a completely inexperienced individual in the field of administration, put into a senior administrative position in SGIO. Not because of his competence, certainly, but because the Government opposite wanted to assure the political purity of the internal management of SGIO so inserted a defeated Cabinet Minister, right into the administrative levels of SGIO.

Now, Mr. Speaker, why the Government opposite and the Member opposite would even bring this type of resolution before the public of Saskatchewan is far beyond the comprehension of myself and I'm sure any right-thinking Members of the Government opposite.

An amendment would probably be in order, Mr. Speaker, an amendment which would truly reflect what this Government has done to SGIO and really reflect and indicate to the people of Saskatchewan what is happening to this particular Crown corporation. A resolution which would condemn the Government for its political partisan takeover of SGIO and I'm going to move the following amendment to really bring the truth before the people and indicate the true circumstances as they exist. So I, therefore, move, seconded by the Member for Morse (Mr. Wiebe) that Resolution No. 2 be amended by striking out all the words after the word "Assembly" where it occurs in the first line thereof and substituting the following:

condemns the Government of Saskatchewan for its political takeover and politicisation of the Saskatchewan Government Insurance Office.

I so move.

Some Hon. Members: — Hear, hear!

Debate continues concurrently.

Mr. E. C. Malone (Regina Lakeview): — Mr. Speaker, I should like to say a few words about this particular motion and particularly the amendment. I'm sure the Members opposite have been listening with a great deal of care to the remarks of the Member for Qu'Appelle and I'm sure they would like to consider those remarks for the next few days and, therefore, Mr. Speaker, I would beg leave to adjourn debate.

Adjournment negated on the following Recorded Division.

YEAS — 11

Steuart	Stodalka	Lane
Wiebe	Malone	MacDonald
Cameron	Nelson	Clifford
	(Assiniboia-Gravelbourg)	
Merchant	McMillan	

NAYS — 37

Blakeney	Pepper	Thibault
Smishek	Romanow	Messer
Snyder	Byers	Kramer
Baker	Faris	Kowalchuk
Robbins	MacMurchy	Mostoway
Larson	Whelan	Kaeding
Kwasnica	Dyck	McNeill
MacAuley	Feschuk	Rolfes
Cowley	Matsalla	Vickar
Nelson (Yorkton)	Allen	Koskie
Johnson	Thompson	Banda
Berntson	Ham	Katzman
Birkbeck		

Debate continues.

Mr. Malone: — I'm surprised at the Attorney General trying to cut me off, Mr. Speaker, but it's typical of his performance the last few days in this House and I really am astonished, Mr. Speaker, at the lack of courtesy from the Members opposite in not allowing me to adjourn this debate. It's been my understanding always in this House that Members are allowed to adjourn the debate.

Mr. Speaker: — Order! The Member is out of order. He's reflecting on a decision made by this House, not necessarily made by the Members opposite, but made by other Members as well.

Mr. Malone: — That's true, Mr. Speaker, it really doesn't surprise me that the Members to my left joined with their colleagues across the floor to vote once again against the Liberal Party.

But, Mr. Speaker, I really did want to consider the words of the Member for Qu'Appelle. I thought they were very well taken and given in such a manner that would have caused Members opposite to reflect upon their credibility and the fact that they

were well taken. Unfortunately now I suspect we're going to hear a speech that will be in complete contrast to the speech given by the Member for Qu'Appelle. I expect the Attorney General will get up and rant and rave and talk about Crown corporations and make certain allegations that have no foundation whatsoever.

So, before sitting down, Mr. Speaker, let me say once again that I regret the lack of courtesy shown by all Members, other than those in the Liberal caucus and to indicate that I am sure that the Members on this side will remember that lack of courtesy and return it in perhaps another way at a later date.

Some Hon. Members: — Hear, hear!

Hon. R. Romanow (Attorney General): — Mr. Speaker, I rise to take part in this debate, but just for a few moments. It is with a great deal of reluctance I might say that the decision of the House was taken and I won't comment on it other than that we were forced to do this after at least a number of occasions where our requests for adjournments were turned down. But, leaving that aside, I want to make simply two points, Mr. Speaker, in the course of this debate.

One is, if I can, I candidly admit it is sort of a personal observation. I want to say with all the sincerity that I have that I don't understand why the Member for Qu'Appelle continues to commit political hara-kiri to himself. I don't understand that and I say this, and you can laugh all you want, but when you take a look at what I think is a man who is obviously well educated, is intelligent, is presentable, is presented on television to be one of the potential leadership candidates of the Liberal Party, to continually in his forays in this Legislature get into the type of speech that he got into just a few moments ago, to me, Mr. Speaker, is one of the real amazements of political life. Because I can't understand why a person with, I would think, that potential in political life continues, as I say, every time he gets up to commit political hara-kiri in this particular Legislature with speeches that get into the references to individuals, speeches which get into innuendoes, the statements of allegations of corruption. All of that, I must say, that he reminds me to a large extent of Allan Guy at his best, if that's the word.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — The very same Allan Guy whom the Members opposite applaud, who was, I think, a very able individual and a very able Minister in many ways, but who in other ways contributed so significantly to the defeat of the Liberal Party in 1971 and the continued defeat of the Liberal Party in 1975, because of his continual muck-raking tactics. So, I would simply say to the Member opposite, I simply hope that he does change his approach in this area.

Mr. Steuart: — Mr. Speaker, on a Point of Order, what does this reference to Mr. Guy, and so on and so forth, what has this got to do with the debate?

Mr. Speaker: — I must admit that I am finding it rather tenuous to connect it to the Resolution which is before us. I had the same

difficulty with it, and I would encourage the Attorney General to get back to the subject.

Mr. Romanow: — Mr. Speaker, I will get back to it to conclude by saying that I don't believe that any of the statements made by the Member for Qu'Appelle respecting individuals is worthy of rebuttal or commenting on further in the Legislature and I certainly, for one, don't intend to do so. And I, for one, am particularly disappointed in what I believe is a potentially very bright political career for a Member to continually take this approach. You can laugh all you want, but that is the situation. But I am going to let him do his own best job on himself and I am sure that I am supported in my sentiments by the Member for Regina South (Mr. Cameron) and the Member for Lakeview (Mr. Malone) who applaud him all the way, who stand behind him in his statements as he is a mile out in front and them a mile back.

Now, Mr. Speaker, the second observation that I want to make before I close, relates to the question of the statement that was made by the Hon. Member for Wascana (Mr. Merchant) during the course of this debate, one of the few statements that I think was a statement with respect to substance of the motion before us. The Member for Wascana indicated in the course of the motion that the substance of the motion was a lie, or words to that effect. And he indicated that to be the case, pointing specifically to the three cent subsidy. His argument was in effect that SGIO is made to look good by virtue of the three cent subsidy, which is a coverup. His exact words were, well not exact words because I don't have Hansard, but as I noted them at the time, some considerable time, and it particularly struck me in motivating this speech today, was that the three cent subsidy is a lie of the most blatant nature. This is the way that I have written down the words. He was arguing that this was a principle which in insurance should never be adopted; arguing that this was a farce and a phoney way to base Government insurance; arguing, although not stating, by implication, that any person who had given any thought on this matter of insurance would be advocating this type of an approach for financing.

Now, Mr. Speaker, I found that particularly interesting because while it has been some time since I have read law reviews (even when I was reading them for a living it was some time that I read them on occasions), I was reminded in particular of one review article which spoke on this issue quoting an individual who I believe, while I don't agree with him on all areas, certainly has thought the matter out and in his day was a very knowledgeable person. The man is Mr. Otto E. Lang.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Lang wrote an article called "The Nature and the Potential of the Saskatchewan Insurance Experiment." Now, Mr. Speaker, this article is 1962 and I note that Mr. Lang was still viewing it as an experiment. I don't know whether or not his pure commitment to party politics was coming to the fore in 1962, which would not allow him to base it anything higher than an experiment in terms of 1962. Subsequently it was proven, three years later, it almost proved to be an experiment if the Liberals had gotten their way to have sold

Government Insurance. But in any event, in this article, Mr. Lang, in a very learned dissertation, talks about this matter of Government Insurance. And I want to now address myself specifically to the words that I referred this House to a moment ago by the Member for Wascana relating to this being a lie, to this approach being a lie and I quote from page 361 of this Saskatchewan Experiment article as follows, under the heading "Improving the Saskatchewan Scheme." This is in the middle of the article, or in the middle of this section. You can read it to see if I am taking it in context.

A much more fundamental change in thinking would be required to impose the cost of increasing risks more exactly upon those who are responsible for them. An obvious improvement would be to base a part of the premium load upon mileage travel, although to do this with complete exactness is impossible. However, making a gasoline tax part of the premium income of SGIO would be a substantial improvement over the present situation.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Now those, Mr. Speaker, are the exact words of the then, Dean — I think he was Dean in 1962, of the College of Law. I think, regardless of what we think about his political views, he's a man of a great deal of intellect and ability. Written in 1962 and maintained, so far as I know, by Mr. Lang throughout the piece.

Now, the Member for Wascana would have us believe that his views of the three cent subsidy is something which is foreign to the principle of car insurance, and is a lie. He would have us believe those words in the face of these facts. Now, Mr. Speaker, I think that the Member for Wascana, while having some potential and ability in this political arena, I think has got a little way to go yet with respect to Mr. Lang when it comes to comparing the two. I am prepared to take Mr. Lang's arguments and thoughts on this question of subsidy over those of the Member for Regina Wascana. I would suggest that if he ever on occasion has a chance to run across Mr. Lang in his travels, I don't know if he does or not, he should discuss with him in some detail this article of 1962 because if he does I think that even the Member for Regina Wascana will be persuaded to the fact that this indeed is a sound insurance principle which is adopted by Saskatchewan Government Insurance; that he will, like in almost all other matters, take the advice of the Hon. Federal Member for Saskatoon Humboldt, and that we will see in due course the Member for Regina Wascana getting up to indicate to the Members of this House that he too has seen the light and that he is reformed in his thinking and that this principle is one which is sound indeed.

Mr. Speaker, I am not going to belabor the remarks in this debate any further, other than to make the point that the three cents is very important to this issue. I think it is substantiated, not only by Mr. Lang, but by others. I believe from the Opposition that it was the only argument of any substance which has to be met. I hope I have met it citing this authority.

Mr. Speaker, I will be opposing what I think is a

mischievous amendment and supporting the main motion.

Some Hon. Members: — Hear, hear!

Mr. E. F. A. Merchant (Regina Wascana): — Mr. Speaker, I wonder if I might speak briefly to the amendment. I should like, Mr. Speaker, in relation to the comments of the Hon. Attorney General, to point out to the Member and the House that whether it is appropriate or not to deduct the three cents and contribute that to SGIO, is a far cry from then using those doctored figures as a justification and then say we have the lowest insurance rates.

Some Hon. Members: — Hear, hear!

Mr. Merchant: — It might well be that the Hon. Member could convince Members of this House that that is an appropriate way to fund a state insurance program, but that is a far cry from then saying that that indicates that the figures are the lowest figures. Now, Mr. Speaker, as I said, I only want to deal with the matter very briefly and I have no further comments to make in this regard.

Mr. D. G. Steuart (Leader of the Opposition): — Mr. Speaker, I should like to rise in this debate and say I am sorry I missed the speech by the Hon. Member for Qu'Appelle. He must have been very good to arouse the ire of the Attorney General to such great heights. Any time the Attorney General gets up and bleeds for the political future of one of our Members, then I know we have struck home and every time he gets up and says, "with all the sincerity of my body", which isn't very much, I don't think . . .

Mr. Speaker: — Order! I think the Leader of the Opposition has recognized that he is caught on his petard, if I may put it that way. He is breaching the privileges of the House in the same manner that he drew my attention to a very short while ago.

Mr. Steuart: — An excellent point, Mr. Speaker. If a petard is anything like an eight iron, I agree with you.

But I wouldn't care if Otto Lang, in his tempestuous year of 1962, was quoted as saying he thought this was a wonderful thing, or Pierre Trudeau, or Pope Paul, or the Bishop of the Anglican Church, or whoever said it, I think they all have about the same amount of experience with insurance companies, zilch, none! I am totally unimpressed. I agree with the Resolution that this is dishonest, it goes against every concept of an insurance policy and that is that the insurance program will stand on its own two feet and the user will pay. I don't disagree with the idea of making those people who are using the insurance, abusing the insurance or have the high risk, pay more, that is a sound principle, but two things are wrong with this.

1. It is a subsidization on a blanket scale regardless

that it really has nothing to do with the ability of the driver or how careful he is or how careless he or she is, it is just a blanket dipping by the hands of the Provincial SGIO, taking funds away from everyone and subsidizing the insurance rate. And then, as the Member for Wascana pointed out, attempt to mislead the public into thinking that we have extremely low insurance rates in this province. The irony is that we don't need to do that, we have low insurance rates in this province and we have them for a very good reason. We may have careful drivers, I don't think that our drivers are any better or any worse than anywhere else, but the population in Saskatchewan is so small and so scattered that in most parts of Saskatchewan you have to go looking for another car to run into it. Naturally our rates should reflect the experience and they should be much lower than they would be in densely populated places like Vancouver, where a large portion of the population of British Columbia live, or Manitoba, where a large portion of the population live in Winnipeg. So they didn't need to pull this cover-up, they didn't need to resort to this kind of tactic, because they could run that operation as we did, sensibly and soundly, on good business principles, and still be able to boast that they had the lowest premiums anywhere in Canada. They have, and so it was unnecessary, it is an unnecessary subsidy and it is dishonest accounting and it is dishonest political practice; there was no need of it and I would hope that the Members opposite will recognize the error of their ways and regardless of any quotes they can make by former Deans of Law or anyone else, who I say don't have any experience in the insurance business, recognize that what they are doing is wrong and change the way as a result of the very reasonable and sensible argument that I know was put forward by the mover of the Motion, the Hon. Mr. Lane, who is on the threshold, as are many other Members here who have a great and long political career, I might say.

Amendment negatived.

The debate continues on the motion.

Mr. R. Katzman (Rosthern): — Mr. Speaker, on a Point of Order. The other day you started reading and calling the question and wouldn't let a Member over here speak. How come you are allowing it today?

Mr. Speaker: — I will deal with the situation as it occurs now. The Member has the right to close debate. I have read the script which allows any other Member to get into the debate and if the Member wants to talk about some other decision that occurred prior to this time, I would be glad to talk about it outside the Chamber.

Mr. M. J. Koskie (Quill Lakes): — Thank you, Mr. Speaker. When I moved this Resolution several days ago I did not have the opportunity to hear the Hon. Member for Wascana, but Mr. Speaker, I took the time to obtain a transcript of his remarks and having read those remarks I came to the conclusion that I really didn't miss very much. That they are the same old arguments that are being advanced by those who oppose the principle of SGIO Crown corporation. The arguments are those used by all those who oppose the very concept of government insurance.

Mr. Speaker, I am not here to attack Members personally,

but rather I intend to show that his attack on SGIO is ill-founded. Let's look at his first argument in which he says: first of all SGIO doesn't have the across-the-board lowest rates in Canada. They are low, he says, but they are not the lowest rates in Canada and by and large Manitoba is cheaper.

Now let us look at that first argument. Now there are a couple of problems with that statement. First, it is inaccurate and is just not true. If we take the total number of insured vehicles in Saskatchewan and we take the total cost of the insurance coverage and compare this with Manitoba, we find that the average cost of insuring per vehicle in Manitoba is \$144 as compared in Saskatchewan to \$99.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — What is more, Mr. Speaker, if we look at the concept of government insurance we find that in Saskatchewan we return \$81 on every dollar of the premium collected. The private companies return about 60 cents on each \$1 premium value; 19 cents for administration of SGIO; 40 cents on the private companies. I want to indicate to this House that these statistics which I have given as to the cost relative to Manitoba and Saskatchewan, include the so-called subsidies as put forward by the Hon. Member for Wascana.

Now, secondly, even if this statement was accurate, this first argument that he advanced, which I have proven it isn't, it really doesn't help the Member very much because it only substantiates what we have been saying, that government sponsored insurance is the cheapest in Canada, whether it be Manitoba or Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — I think the Hon. Member's will realize why the Member for Wascana left that argument in a hurry.

Let's take a look at argument number two, as advanced by the Member for Wascana. He says, as the Attorney General indicated, it is a lie to say that we have legitimately low rates when the gas tax is subsidizing SGIO rates. Well I want to advise the Member that first of all he is in error again, that not every gallon of gas that is sold collects the three cents which goes to the general insurance fund. There are some 50,000 vehicles in Saskatchewan which do not contribute the three cents on a gallon. But taking into account the so-called subsidy of three cents, taking any other licence surcharge we still arrive at the position of having the cheapest insurance in Canada.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Mr. Speaker, having pretty well completely destroyed the veracity of the Member's first two arguments, I even hesitate to bore the House with further evidence of the illogicalness of his further arguments. But I want to say that the reputation of a valuable Crown corporation is at stake and for that reason I must pursue his further arguments.

Let's look at argument number three. He says that insurance

on farm trucks have taken a massive increase. I agree that the rates have increased, but we only need to compare these rates with those in Alberta and we find that our rates are about one-half of the rates that are charged for farm trucks in Alberta. We still provide the farmers of Saskatchewan with the cheapest rate of insurance in Canada and no Member can otherwise deny that fact, because it is a fact.

Mr. Speaker, the real clincher comes in the Hon. Member's fourth argument. He says that our insurance scheme provides that the rest of the drivers subsidize the young for political gain.

I want to say, Mr. Speaker, our insurance company and SGIO doesn't penalize the person just because he is young and as long as we have any influence on it, that policy will remain.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Our basic insurance is based on the following criteria.

1. We take into account the driving record; 2. The number of miles driven; 3. The value of the vehicle purchased; 4. The cost of repairs.

We feel that this represents reasonable criteria and what is more it is not true to say that a young person, with a bad driving record, doesn't pay more as the Hon. Member for Wascana tried to imply. As everyone knows the young person with a bad driving record has imposed upon him a licence surcharge, which can be relatively substantial on his driver's licence. I will give you an example of one young person, with a bad driving record, he is paying \$92 for his driver's licence for the next three years.

It seems to me that in this way our insurance is taking into account the bad driving records of the young people but not penalizing them for being young.

Now some may say that this still is not enough, but I ask this House, do we want to adopt the private insurance theory adopted in British Columbia? I have looked at some of the rates and the facts in the British Columbia scene. It is clear here, in reading a report, that a 40 year old man convicted of drinking and driving pays \$372 to insure a 1974 Plymouth Valiant, with \$200,000 liability, \$100 deductible collision, \$50 deductible comprehensive.

A 24 year old bachelor, with no accidents and no points, in the same vicinity, pays \$845 for the same coverage. I don't think that we want to return to that form of private insurance jungle where the young people are penalized, not because of their driving record, but because they are young.

If we compare rates which I did the other day, and the Hon. Member for Wascana failed to list any rates to substantiate that we do not have the lowest rate. We look at Victoria, as an example. Their previous rate was \$120 per year for driving a 1974 Galaxie for pleasure. The new rates by that free enterprise government of British Columbia is set at \$207. If you use that 1974 Galaxie to go to work, it is increased from

\$140 to \$252; business \$152 to \$344; under 25, previous rate was \$221, it is now \$648.

Yes, Mr. Speaker, it seems to me that we do have a choice. We can go on building and improving the SGIO operation or we can return to the free enterprise method which is advocated by the Members — at least some of them — opposite. I don't really want to leave the impression, Mr. Speaker, that there are no advantages to the private insurance companies. I think there are a couple.

First of all, it seems to me that you can get a sense of freedom over the free enterprise countries, you have the freedom to go to any insurer that you want and to be ripped off and to pay an exorbitant rate. So that is one freedom that you have.

Now the second thing that you may have another advantage and that advantage is that it probably will give you a special economic status if you live in free enterprise British Columbia. Because you can go out and you can buy your teenage daughter her driver's licence, and her licence for an automobile. You could go to a meeting and meet up with your neighbor and you might be able to mention the fact, well, I bought my daughter her insurance and it cost me \$1,000, fully knowing that your neighbor's daughter is walking and her parents haven't got the \$1,000 to purchase that insurance.

So those are the freedoms, the alternatives, of the free enterprisers, those who would destroy government insurance. I think that the people of Saskatchewan have made that verdict once before. They sustained the onslaught from 1964 to 1971. I think they have directly told the Liberal Party at that time in 1971, when they returned the New Democratic Party to office.

Mr. Mostoway: — And will continue to say so.

Mr. Koskie: — I am convinced that that is right.

In conclusion, Mr. Speaker, the Hon. Member alluded to the fact that SGIO agents are forced to sell SGIO policies whether they are best or not. Now this is simply not true Mr. Speaker. The SGIO agents in my experience are proud to be a part of SGIO. They know that the rates are the lowest in Canada; the coverage is the best; the policy of the corporation is consistent and the benefits accruing go back to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — 81 cents on every dollar! SGIO's success will continue despite the efforts of the Opposition. SGIO, as I indicated before, sold over 70 per cent of all insurance in Saskatchewan. It is the second largest domestic insurance in Canada and the sixth largest general insurance in Canada. Yes, Mr. Speaker, SGIO survived those Liberal years from 1964 to 1971, and I am convinced that it will survive the onslaught of attack from this bunch of new Liberals.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Mr. Speaker, it's my privilege to support the resolution.

Motion agreed to.

Invitation to See Chairs

Hon. E. Kramer (Minister of Highways and Transportation): — If I may have just a moment please. I should like to invite the Members on both sides of the House to drop around into the back aisle here, the Government Members lounge. I have two chairs out there that were the original chairs out of Government Laird House, the first government of the North West Territories. I was fortunate enough to pick them up out of the back of a lawyer's office. They were really junk at that time, I've had them refurbished and I would like everyone that is interested to have a look at them before I take them home and put them in my rumpus room. They are beautiful old chairs, they are well over a hundred years old, if anyone is interested in those historical chairs, I welcome them to come around to the other side and have a look at them before or after we adjourn tonight.

ADJOURNED DEBATES

Return No. 6

The Assembly resumed the adjourned debate on the proposed motion of Mr. Nelson (Assiniboia-Gravelbourg) that an Order of the Assembly do issue for Return No. 6 showing:

(1) The dates of each of the contracts entered into between Len Dowie Construction Limited and the Saskatchewan Power Corporation in each of the years 1972, 1973, 1974 and 1975. (2) The amounts of money paid by the Saskatchewan Power Corporation to Len Dowie Construction Limited in each of the years 1972, 1973, 1974 and 1975. (3) The particulars of each of the said contracts. (4) Whether any portion of the contract price, in respect of any contract between the Saskatchewan Power Corporation and Len Dowie Construction Limited, has been assigned to Saskatchewan Economic Development Corporation or is payable or being paid to Saskatchewan Economic Development Corporation in any manner whatsoever.

Hon. R. Romanow (Attorney General): — Mr. Speaker, I should like to propose an amendment which will provide the information that has been requested by the Hon. Member for Assiniboia-Gravelbourg and add to it three additional years, 1969, 1970 and 1971. With those few words I move, seconded by the Minister of Finance, the Member for Regina Northeast (Mr. Smishek), that Return No. 6 be amended as follows:

That the numbers 1969, 1970 and 1971 be inserted after the word "years" in part (1) and (2).

Motion as amended agreed to.

SECOND READINGS

Mr. R. Katzman (Rosthern) moved second reading of Bill 42 — An Act to amend The Litter Control Act, 1973 (No. 2)

He said: The shorter you ask me to go the longer I might go, Mr. Romanow. My Bill is a very simple Bill that I wish to move, Mr. Speaker. It's simply my concern with the cleanliness, the beauty of the province, the environment and the safety.

Taking cleanliness, if any of you have driven along the highways, you'll notice the vast amount of garbage and one of the more dangerous ones are the whisky bottles that the youth do not pick because there is no financial benefit in the same. And they are not covered by the law. I'm very concerned when last year I happened to see a Department of Highways vehicle working in the ditch and saw the gentleman hit a bottle of this type and send it flying all over the place. And I am very concerned with the safety of those who try to move along the ditches, be they horsemen, to children that are walking. And I'm also concerned that we can save a lot of money if the Act was to give the power, including liquor in this, would then give the Minister the right if he so deems it, to make these bottles refundable. I realize I do not have the authority to move a motion along that line, because it is a money Bill. Therefore, the only way I can suggest this be handled is simply changing the one word in the Act and, therefore, that is the only thing that I will do.

I'm suggesting that for safety's sake of both the workers and the farmers that cut the ditches for hay that these, if they were picked up, would be very good. Second, I think that we could use the Department of Highways people on other projects patching holes in the road and so forth, rather than cutting the ditches. And I'm certain most farmers would be glad to have the additional land to make hay on and that's part of the reason that I'm moving my Motion. I'm being very short.

I, therefore, move second reading to amend The Litter Control Act, 1973.

Hon. N. E. Byers (Minister of the Environment): — I've listened with interest to the comments of the Hon. Member for Rosthern proposing a solution to one of the many solid waste problems, management problems that we have within our country and in our society. I'd like some time to consider his remarks and I, therefore, beg leave to adjourn the debate.

Debate adjourned.

The assembly adjourned at 9:33 o'clock p.m.