

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Eighteenth Legislature**  
**9th Day**

**Tuesday, November 30, 1976.**

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

**WELCOME TO STUDENTS**

**Hon. E.C. Whelan** (Regina North West): — Mr. Speaker, through you I should like to introduce to all Hon. Members, 24 Grade Four students from Ken Jenkins School in Regina North West, seated in the Speaker's Gallery. Their teacher, Ben Wolfe and a chaperone Mrs. Gray are with them. I plan to meet them over a drink. We have arranged to have their pictures taken. We welcome them and hope that their stay with us is a pleasant, educational experience.

**Hon. Members:** Hear, hear!

**Hon. E.L. Tchorzewski** (Humboldt): — Mr. Speaker, I too would like through you to welcome some students to this Legislative Assembly. Seated in the speaker's Gallery are 16 Grade Four and Five students from the community of Carmel. They are accompanied by their teacher, Miss Eileen Germaine, and Mr. Picowey and Mr. and Mrs. Ted Engel. I know that all the Members here will join with me in welcoming these fine young people and their escorts and wish them a very interesting and educational stay, not only in this Legislature, but also in the city of Regina and wish them a very safe trip home.

**Hon. Members:** Hear, hear!

**INTRODUCTION OF GUESTS**

**Mr. M. Kwasnica** (Cutknife-Lloydminster): — Mr. Speaker, it's a pleasure for me to introduce to you and Members of the House, three special guests in the Speaker's Gallery by the name of Brian Sklar and fellow associates from Prairie Fire. In Saskatchewan Brian Sklar and his orchestra are some of the best known musicians in the area. They are in Regina for a stand at the Trianon tomorrow night and I hope that they enjoy their visit this afternoon.

**Hon. Members:** Hear, hear!

**Hon. E. Kramer** (The Battlefords): — Mr. Speaker, it is not very often we get guests from the better part of Saskatchewan, the northwest. I'd like to introduce a couple of guests, Mr. Musika and Mr. Buziak of North Battleford seated in the gallery.

**Hon. Members:** Hear, hear!

## QUESTIONS

### DEVALUATION OF CANADIAN DOLLAR

**Mr. C.P. MacDonald** (Indian Head-Wolseley): — I'd like to direct a question to the Minister of Finance. Can the Minister tell the House what the continued devaluation of the Canadian dollar is going to mean in interest payments this year? As you know last night the Canadian dollar was valued at 97.13. Ten minutes ago I checked and it's now dropped to 96.76. That is, of course, a dramatic drop of something in the neighborhood of six or seven per cent in the last few days. Of course, we've just borrowed a very substantial amount of money. Can the Minister indicate to the Members of the House just exactly what this will mean to the Saskatchewan taxpayer in increased interest charges?

**Hon. W.E. Smishek** (Minister of Finance): — Mr. Speaker, the devaluation has no effect on the interest rates. The interest rate remains the same, Mr. Speaker.

**Mr. MacDonald:** — Supplementary, Mr. Speaker. Please don't have the Minister try to dodge the issue. What will it mean in interest payments? And I'd like to ask then, what it will mean in increased interest payments? And the second supplementary. The financial community has been predicting a drop and a devaluation of the Canadian dollar for many months. Just a short time ago the Minister borrowed substantial amounts of money on the American market. Can the Minister tell us where he got the advice or from whom did he seek counsel before making these loans?

**Mr. Smishek:** — Mr. Speaker, in case of the advice, we have the Investment Branch who are our advisors as well as the agencies that we have that act as our brokers. I might inform the House that when we saw the possibility of the exchange rate narrowing and perhaps dropping, we did immediately proceed with conversion and most of our money that we have borrowed has been converted, thus it is secure. So we are not suffering any losses. If the drop does continue, Mr. Speaker, before there would be any impact and any losses suffered, the drop would have to be much more significant than it is at the present time.

**Mr. MacDonald:** — Supplementary, Mr. Speaker. Would the Minister explain then why it would have to drop more? Surely to heavens the interest rate and the current rate of the American dollar in relation to the Canadian dollar when the money was borrowed will have a very dramatic impact. If he's referring to the fact that the three cents from \$1.03 to \$1, surely to heavens there is an impact and it could be rather drastic. I'd like to also know, the Minister indicated that he was taking some steps to hedge. I'd like to know what other ones you took besides the conversion? I'd like to also ask you, how much, are there any American bonds that have been borrowed in the past that are coming due in the very near future, that are demanding repayment and if so, how much?

**Mr. Smishek:** — Mr. Speaker, in the case of the last question I would

have to check, I do not have that information with me at hand. I'll be glad to check and provide the information to the Hon. Member, perhaps tomorrow.

Mr. Speaker, in case of the borrowing, as the Hon. Member is aware and it's been reported, that we did not borrow on a short term basis. We borrowed the money on a 30-year basis and to predict the market over the next 30 years, I'm sure that he will agree that it is impossible to predict what may be happening in case of the exchange. Certainly, over a period of the last 25 years, the exchange rates were such that over the 25-year period, our money as at a preferred rate and while we are at the moment having some problems as a nation in case of our dollar being devalued, I think on the long term basis there is every reason to be optimistic as a province and as a country.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — One final supplementary. Will the Minister please answer the question. What will be the increased costs in interest payments for the remainder of this year in any repayment process?

**Mr. Smishek:** — Mr. Speaker, I did tell the Hon. Member that the interest rate is not affected. The interest rate remains as it has been. The money that we borrowed, the \$125 million at 8.7 per cent interest, that rate remains stable over the next 30 years. The interest rate is not changing. What has changed is the exchange rate. Now, that is having an effect, but remember that our borrowing is over a 30-year period. And to start panicking that because in the last few days our dollar has been devalued, I don't think that anybody can say at this stage what the long term effects may be.

Certainly on a long term basis as I've indicated there is every reason to believe that the Canadian dollar will likely be at par or close to it.

**Mr. R.L. Collver** (Leader of Progressive Conservatives): — Mr. Speaker, I have two supplementary questions for the Minister of Finance.

First of all, would the Minister not agree that if the interest rate on \$200 million is 8.7 per cent, payable in U.S. funds, as the Minister told us in this Assembly some time ago and that that amounts to some \$17.4 million in the fiscal year ended, or in one year period, that if the rate of the Canadian dollar drops to say, 90 relative to the American dollar, that there would be an additional 10 per cent or some \$2 million approximately more interest payments to make on that \$200 million alone? That's number one.

Second supplementary question is this. Would the Minister not agree or he has stated to us today, that the exchange rate would have to drop quite substantially more for it to materially affect the Province of Saskatchewan. I suggest to the Minister that this is quite a bit beyond today the parameters of normal trading in the Canadian-U.S. dollar. I ask the Minister what number does he believe that the Canadian dollar should fall to before it will materially affect the Province of Saskatchewan? At what level? He's announced today that it would have to drop more. What level does the Canadian dollar relative to the U.S.

have to drop to before it materially affects the Province of Saskatchewan?

**Mr. Smishek:** — Mr. Speaker, in answer to the first question, the answer is, No. In the case of the second question which the Hon. Member raises as to what rate would it have to drop to before there would be any significant effect, I can tell the Hon. Member that since the money that we borrowed was at 8.7 per cent, had we borrowed on the Canadian market we would have had to pay 10 to 10 1/4 per cent interest rate. And in order for it to have any effect, and I can only give him an example, that the exchange rate would have to drop now by about 11 1/2 per cent and remain that way for the next 25 years. And remember our borrowing is for a period of 30 years. Although I haven't got the precise percentage for that period of time — so the exchange rate would have to drop somewhere in the order of 12 per cent and probably more before it would have any effect in costing the province any money because of the difference in the interest rate between 10 and 8.7 per cent.

**Mr. Collier:** — A supplementary, Mr. Speaker. Would the Minister not agree that the interest rate in Canada is now falling and that the advice perhaps of some Members of this Assembly last April to the Minister of Finance and the Treasury Benches, that it was not a propitious time to be borrowing large sums of money on the U.S. market should have been heeded. Would the Minister not agree that perhaps had the Minister waited perhaps eight months to a year, borrow the money on the Canadian markets or even to borrow the money on the U.S. that the Government of Saskatchewan would be infinitely better off now than it was in going out and borrowing sums of money at the high point of the Canadian dollar and at the high point of Canadian interest?

**Mr. Smishek:** — No, I would not agree.

#### **APOLOGY TO CARGILL GRAIN COMPANY**

**Mr. W.C. Thatcher** (Thunder Creek): — Mr. Speaker, a question to the Minister of Transportation. In light of the fact that in yesterday's question period the Minister's integrity was questioned and in light of the fact that his slanderous comments against Cargill Grain Company have been found to be totally untrue such as exemplified by this headline, I would ask the Minister again, is the Minister prepared to substantiate the charges as laid out in his speech of last Thursday or are you now prepared to apologize to Cargill Grain Company?

**Hon. G. MacMurchy** (Minister of Municipal Affairs): — Mr. Speaker, I think it is evident that there is something wrong in the state of Elm Creek. The information that I have provided and was provided on the basis of the speech that I delivered Friday last, was that, yes, there had been a close-down at Elm Creek. Yes, that Cargill had broken the rules. That is evident by the Canadian Wheat Board sending in a team of inspectors who seized documents and records. I say that this is a very serious matter. I have been informed also that it is likely that charges will be laid within a week or ten days. I think all Members of this House should wait to hear what happens in a week to ten days.

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — A supplementary, Mr. Speaker. I would then ask the Minister, is he prepared to step out into these halls, repeat what you said last Thursday or be branded a blighted, wilful liar?

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — I want to take this opportunity to caution all Members about placing questions in the House which are argumentative and in fact in the nature of a debate. I think the Member for Thunder Creek will agree with me that he is re-entering into a debate which is presently going on from day to day where previously the Minister issued his remarks. Now, I don't know whether the remarks were right or wrong but I don't think the Question Period is the correct time and place to launch an argumentative question with regard to this particular issue. If the Members can strip the debate or the argument out of their questions it would facilitate my job.

**Mr. E.F.A. Merchant** (Regina Wascana): — I wonder if the Minister would not agree that the comments that he has made if untrue are truly slanderous and do a great deal of damage to the reputation of Cargill. I wonder, therefore, if the Minister would indicate to the House whether he puts so much faith in his sources of information that he would be prepared to make those comments other than in this House where is protected from action . . .

**Mr. Speaker:** — Order, order! Next Question.

#### COAL MINES — POSSIBLE STRIKE

**Mr. R.A. Larter** (Estevan): — Mr. Speaker, a question to the Minister in charge of the Saskatchewan Power Corporation. In light of the possible emergency arising because of the press reporting a possible strike in the coal fields in the Estevan area and in western Canada, does this government have a contingency plan to supply coal to our power plants, and to the Manitoba Power?

**Hon. J.R. Messer** (Minister of Mineral Resources): — The answer to that is, Yes, we are aware of potential problems if there is a strike in regard to the requested rollback in pay of the workers of the mines supplying coal to Saskatchewan Power Corporation. We have undertaken to build up as large a stockpile of coal as possible and we are looking at all other avenues which would give security to the consumers of power from those thermal operations if there was a strike in the coal fields.

**Mr. Larter:** — A supplementary, Mr. Speaker. Could the Minister tell us what these plans are other than the building up of a supply of coal. Have there been any other plans made beyond this?

**Mr. Messer:** — Well, I think that should wait until we find ourselves confronted with those circumstances, Mr. Speaker. I think it is enough that the Corporation has given assurance to myself, and I, in turn am giving it to this Legislature and to the

consumers of power in the province that we are doing and will do everything possible to see that we continue to have a supply of coal. Now that should not be interpreted to mean that we can indeed guarantee because there are certain unknown factors, but certainly the Corporation is well aware of the potential problem and is undertaking to do everything possible to provide power to the general public of Saskatchewan.

**Mr. Larter:** — A supplementary, Mr. Speaker. The concern here is that the people of the province have to be really concerned on this emergency because of the extra natural gas that these power plants, particularly Boundary Dam, can use in the case of a shortage of coal. I would like the assurance that we won't get to that stage again where we are using the natural gas which is in so-called short supply in this province.

**Mr. Messer:** — Well, Mr. Speaker, I also would like to be able to give the assurance that the Member is requesting, that we would not have to revert to natural gas but I don't think we can predict the seriousness of the circumstances at this point in time. I am sure that if there is no other alternative in order to continue to provide power, certainly even the Member for Estevan would agree with the utilization of the alternate firing fuel, natural gas. We will certainly undertake to exhaust all other means before we revert to that.

### **GUARANTEE TO BEEF PRODUCERS**

**Mr. L.W. Birkbeck** (Moosomin): — Mr. Speaker, a question to the Minister of Agriculture.

In light of his refusal yesterday to deny the imminent implementation of a provincial marketing board for our cattle producers, is he now prepared to give this Assembly and our livestock producers a guarantee that they will be given a choice by a free vote prior to the implementation and power to control the direction the board takes?

**Hon. E. Kaeding** (Minister of Agriculture): — Mr. Speaker, there is no determination as yet at this time whether there will be any such marketing board or commission. What I said was that there would be some consultation with farm organizations to see if that is what they wanted. When that consultation takes place we will make our decisions at that time.

**Mr. Birkbeck:** — Supplementary, Mr. Speaker. Is the refusal by the Minister of Agriculture to give such a guarantee an indication that this government really knows better than the beef producers how to run their industry?

**Mr. Kaeding:** — Mr. Speaker, I said that we would be consulting with the industry to see what direction we should take and we will take whatever direction they will be putting to us.

### **CARE OF SENIOR CITIZENS**

**Mr. R.H. Bailey** (Rosetown-Elrose): — A question to the Minister of Social Services. As he is well aware a number of provinces are currently undertaking

studies with the general concern that we have throughout Canada for the elderly. Has the department, and within the Cabinet itself, anticipated a study immediately into the needs of the senior citizens in Saskatchewan?

**Hon. H.H. Rolfes** (Minister of Social Services): — Mr. Speaker, in answer to that question first of all let me say that we have had several studies already on the care of the senior citizens within the Government itself. We are also presently asking the Senior citizens' Provincial Council to take the Skoll Report, which was tabled in the House last week by the Minister of Health, "Adding Life to Years," seeking the opinion and views of senior citizens both in institutions and organizations of senior citizens throughout the province. I am hoping that we can take their views and their opinions and incorporate them into what I hope will be a comprehensive home-care program which we hope to establish in the next year or two.

**Mr. Bailey:** — A supplementary question, Mr. Speaker.

In view of the large travelling distances that we have in Saskatchewan and the rather unique geography in itself, is the Minister currently looking at the smaller unit nursing homes that was discussed last year? Have there been any plans by his department to set up the smaller unit which would in fact leave these elder citizens within their own community?

**Mr. Rolfes:** — Mr. Speaker, I don't know what the Member is referring to — a smaller unit as an extension to the hospital, or an auxiliary hospital. If that's what he is referring to, we have an inter-departmental committee set up between Health and Social Services to have a look at that possibility. We have also had discussions with the Saskatchewan Housing Corporation to see if we can implement low-cost housing for senior citizens. So there are many, many studies going on and I am hoping that we will come through with a comprehensive program which will provide services for people in their own community as opposed to institutionalized care.

**Mr. Bailey:** — Final supplementary, Mr. Speaker. Is not the Minister of Social Services a little disappointed then that with this rather momentous problem which we have because of the percentage of elderly people we have in this province that no mention was given to this problem whatsoever in the Speech from the Throne?

**Mr. Rolfes:** — No, Mr. Speaker, I am not disappointed because there have been numerous times when the Minister of Health and myself made announcements as to what our plans are. I can assure the Hon. Member that we will take action as soon as we can get all the decisions together into a package.

### HIGHER FOOD COSTS IN SASKATOON

**Mr. Birkbeck:** — A question for the Minister of Consumer Affairs. Last week I asked a question regarding the fact that food costs in Saskatoon are consistently higher than Regina. The Minister

has now had sufficient time to look into this matter. Could he now give this Assembly the reason for the difference, and what corrective measures his government intends to take, or his department for the benefit of the people in and about Saskatoon?

**Mr. E.C. Whelan** (Minister of Consumer Affairs): — Well, Mr. Speaker, last week I didn't answer the question because all the newspapers in the province have carried lengthy and detailed descriptions as to why there was a difference in the rise of the cost of living in the two centres listing carefully each one of the items. I had hoped that by this time the Hon. Member had read them and he would know. If he wants me to put on the Order Paper a detailed explanation as it appeared in the press, or if he wants the press clippings, I'll be very pleased to do so. I don't think this is a proper sort of question, but if you put a proper question on the Order Paper, I'll file every bit of evidence that we have. I will make sure that he has it and particularly the Star-Phoenix has it.

### **SEDCO ADS ON TELEVISION**

**Hon. N. Vickar** (Minister of Industry and Commerce): — Mr. Speaker, yesterday the Member for Regina Lakeview (Mr. Malone): asked a question about SEDCO, and he wants to know the reason for the ads being placed and an indication as to the approximate expense and how long these ads would run.

For the information of that Member, the ads are placed on television to acquaint the people of Saskatchewan, especially in the small business sector, of the purpose of SEDCO. Because of its confidential nature, it has no chance to tell the people what its purpose is, and this is one of the purposes of SEDCO's promotion through television. You will look at banks, credit unions and other business institutions that do advertise on television the same as SEDCO.

Now the next question was: how long do we expect the ads to run? I might tell the Member that the ads will run until December 31, 1976. And the approximate costs for these ads for the 1976 program was \$40,000.

**Mr. E.C. Malone** (Regina-Lakeview): — Supplementary, Mr. Speaker. I am glad the Minister has now found his office and has been able to provide us with some information on our questions.

The purpose of these ads, is it to loan money to certain jewellery import firms that from time to time go out of business, or is to loan money to other firms that we have heard about in recent years which go out of business? But as a supplementary question, Mr. Speaker, would the Minister kindly tell me which advertising firm was hired to place these ads?

**Mr. Vickar**: — Mr. Speaker, as I stated earlier the ads are placed for all types of businesses to take advantage of, regardless of what they are. I cannot tell him at this time what company placed the ads, I'm sorry.



**Mr. Malone:** — Mr. Speaker, a supplementary question then.

At one time the purpose of SEDCO, as I understand its reason to be created, was to be a lender of last resort and to specialize in Saskatchewan companies. Is the Minister now indicating that SEDCO is going to get into the open market with banks and other financial institutions and in effect bid for the right to loan money to people in Saskatchewan?

**Mr. Vickar:** — Mr. Speaker, I think SEDCO's purpose was and still is to help and relieve the small business people as well as larger ones if the need should so arise.

**Some Hon. Members:** Hear, hear!

**Mr. Malone:** — Mr. Speaker, the Minister hasn't answered the question.

Is the Minister intending now to have SEDCO get into the market place and actively compete with such other financial institutions as the Bank of Montreal, credit unions, trust companies, all other private financial institutions. Is it your intention to compete actively with them?

**Mr. Vickar:** — No, I don't think that's SEDCO's purpose.

**Mr. Colver:** — Just to add a supplementary then, Mr. Speaker. The Member for Lakeview suggested mine, but my supplementary is: why does the advertisement specifically state, "Come to SEDCO first?" If you are not going to compete with the other financial institutions . . .

**Mr. Speaker:** — Order, order. The next item of business is Ministerial Statements.

## ADJOURNED DEBATES

### ADDRESS-IN-REPLY

The Assembly resumed the adjourned debate on the proposed motion of Mr. D. H. Lange (Bengough-Milestone): for an Address-in-Reply.

**Mr. D.M. Ham** (Swift Current): — Mr. Speaker, on behalf of the constituents of Swift Current, and the Progressive Conservative caucus I am proud to rise in this Throne Speech Debate.

Mr. Speaker, yesterday in this Assembly we heard a Cabinet Minister make some rather silly, rash statements which at best are designed to mislead the public. He quoted from a document submitted by one of our candidates to the chief electoral officer. This document, which was in confidence, was subsequently withdrawn by that candidate and a corrected copy submitted. Yesterday the Minister quoted from the first document which was not supposed to be public information, information which the candidate withdrew as not being correct.

**Mr. Speaker:** — Order, order! I would ask the Members to . . . Order! Could I ask Members on both sides of the House to maintain some dignity in the debate and give the Member for Swift Current an opportunity to give his remarks.

**Mr. Ham:** — Thank you, Mr. Speaker. We hear accusations which the candidate cannot even defend himself against, because he is not in this Assembly, but he will be next time.

Mr. Speaker, I suggest that the conduct of this Minister has been horrendous, that the rights of a former candidate for Last Mountain-Touchwood constituency have been severely violated, and the office of the chief electoral office has been made a mockery.

Secondly, Mr. Speaker, and perhaps most ridiculous of all, the Minister suggests that our leader does not enjoy the support of our party. This, Mr. Speaker, is an outrageous remark, since the Minister is fully aware of the tremendous vote of confidence which our leader received at our annual convention just two weeks ago. And the Minister is also fully aware that our caucus is unanimously and totally in support of Mr. Collver.

Mr. Speaker, a Premier with Cabinet Ministers such as these would do well not to turn his own back on them too often, for he indeed would make a plump target for their misguided daggers.

Mr. Speaker, with much pride I should like to welcome to our caucus the MLA for Qu'Appelle (Mr. Lane). This young, aggressive and knowledgeable individual not only will contribute much to our caucus but I am sure much to the party in which he belongs. It is said, Mr. Speaker, that this Member did not leave the Liberal Party, but the Liberal Party left him.

Before getting into the body of my speech, I must comment briefly on the presentations of the mover and seconder of the Speech from the Throne. These Members, in my opinion, typify the attitude of the NDP; their attitude that they must stay in power at all costs. They, and their party, are well aware of the advantage of selling what I call psychological hate and polarizing public support. It's an easy product to sell — hate of the CPR; hate inland terminals; hate John Deere; hate the USA; hate Collver; hate the Progressive Conservatives and it goes on. Of course, Mr. Speaker, the NDP and only the NDP describe themselves as 'the little man's and the farmer's friend'. And then they attempt to bribe the taxpayer with his own money with their so-called free plans. Unfortunately, this approach is successful to some extent and I believe a similar deceptive campaign was utilized very successfully some years ago. I believe there is very little difference — stay in power at all costs; polarize support, confrontation politics. It is little wonder that clear-thinking citizens are giving up on politicians. At a time in history when this country and this province needs to be led and not divided, Mr. Speaker, we continually hear of the personal attacks and polarizing politics at which this government has been so successful.

I believe, Mr. Speaker, that the proverbial icing for the cake had to be the reference to Sesame Street by the Member for Bengough-Milestone (Mr. Lange). This is a child's program to entertain children. It is little wonder, Mr. Speaker, these Members speak in this fashion as their own senior Members utilize the same tactics and have for many years.

Mr. Speaker, I should now like to comment on my constituency concerns, including the lack of recreational facilities and lack of dental care. The most common and regular complaint that I experience, I believe can be placed firmly on this government and its predecessors. For comparison purposes let's use Swift Current and Lethbridge in the year 1939. Both suffered terribly in the midst of the '30s as both cities were in the centre of the terrible dust storms. Both in 1939 were approximately the same size, but one must remember Swift Current is serving a much larger and much more diversified area.

Through the years Lethbridge and its people — ambitious people with initiative, began and completed a very successful irrigating service to their farm areas and today through successive governments in Alberta that have allowed people to move ahead and use one's own initiative, boasts a 50,000 population while Swift Current remains at 15,000. For many years Swift Current's major complaint had to be the lack of a second television channel. We lacked a support base of population; Lethbridge has several channels. Swift Current just recently received a second channel, and I believe this is the last major area in Canada to receive this service.

Mr. Speaker, some two years ago the western Canada hockey league Broncos transferred from Swift Current to Lethbridge — a blow to Swift Current's sport fans which will never be forgotten, only because Lethbridge can offer the service of much larger facilities and potentially more fans.

The citizens of Lethbridge have no particular problems getting to a dentist or a doctor, whereas in Swift Current, Mr. Speaker, my constituents, the citizens have had to travel regularly to Alberta and in some instances to Regina to receive dental care.

Much, if not all of these advantages of Lethbridge, came about, not because of the boom of oil; in fact, Swift Current has had an oil industry, a booming oil industry before Bill 42.

The lack of the aforementioned services, Mr. Speaker, is directly the cause of government interference, government centralization and the poor atmosphere of investment in Saskatchewan. It is very simple to explain, without investment and productivity you experience no growth, no tax base, no growth. On a regular basis we hear of business closures and possible business relocation outside of Saskatchewan. In Prince Albert, Burns Foods closed; Intercon closed its doors in Regina; we hear of the possible move of Morris Rod Weeder from Yorkton and RotoThresh in Saskatoon and the list goes on. In a climate of government interference and expropriation, Mr. Speaker, it is little wonder.

I ask Members opposite, if you had \$10,000 or more would you seriously consider investing in Saskatchewan?

**An Hon. Member:** — Yes.

**Mr. Ham:** — I would doubt it. Everything and everyone must grow. In Saskatchewan, other than Regina and Saskatoon, small towns, villages and cities stagnate and go without many advantages that many large centres offer.

The same size cities in Alberta offer the advantages the

citizens of my constituency desire. It is common knowledge, Mr. Speaker, that nearly all small centres in Alberta are growing, many of which are hiring Saskatchewan citizens.

Mr. Speaker, I should now like to turn to Saskatchewan highways, or the lack of Saskatchewan highways. They are described by many constituents through the Progressive Conservative constituencies as being in terrible, dreadful condition. In my capacity as highway critic, Mr. Speaker, it is a very, very common complaint.

It is also very interesting to note that these poor roads are generally located in Progressive Conservative constituencies. To cite a few of the unfinished poor highways — No. 18 and No. 47 in Estevan; No. 23 in the Nipawin constituency, which had specific promises earlier this year, is not complete and is still in terrible condition. No. 44 and No. 15 at Rosetown; Highway No. 13, and the list goes on.

Probably, Mr. Speaker, the most disturbing thing about Saskatchewan highways and this government, in the last session the Minister of Highways (Mr. Kramer): stated that project “Array” would be completed. Even with the best possible road construction weather (and I am sure the Minister will agree): many roads were not completed. In fact, the Highways Department ceased asking for tenders in the month of September. Did the Minister not fight for enough money last session for his Highways Department? Or did this government spend this money on a potash mine purchase?

The potash mine purchase or takeover resulted in wounds which we will never recover from. Decisions like the potash expropriation and discriminating labor legislation are illustrations. The general attitude of those that create uncertainty in society as the NDP have and the Federal Liberals, have caused Canada to decline from the second wealthiest nation eight years ago to the sixth last year and now may drop from the top ten. An infamous record, Mr. Speaker.

The piper must be paid. Unless this trend is reversed every Canadian citizen will suffer.

Last week the Member for Estevan (Mr. Larter): commented in his speech that we were on the road to disaster. I think the people of Saskatchewan should have heard your reaction; you laughed and scoffed at this suggestion.

Mr. Speaker, recently I read an article in the Swift Current paper that I think bears repeating because it is so relevant to this government. It is titled, “Too Much Government.”

The unseen bickering that goes on between the various levels of government in Canada for greater slices of the taxpayers’ pie has reached a point where few of us know how much we pay or for whom and for what purposes it goes. Three and sometimes four levels of government compete for taxpayers’ allegiance, control and regulate his life and tax his personal wealth. Yet the overlapping bureaucracies of federal-provincial administrations have so buried the responsibilities of each that the taxpayer, who is also the voter, has little idea for what each level is responsible. Worse, the citizens and taxpayers no longer have any standards by which to judge priorities or measure the effective use of his money. We are overgoverned to coin a cliché.

Granted that most of our money goes to provide services which the politicians would argue we have voted for. It would be refreshing if the various levels of government would try to tackle their problems on the basis of need and efficiency. Instead we too often are treated to the tiresome display of each trying to grab the biggest share of the communal pot.

For instance we have Federal Ministries of Labour, Natural Resources, Health, social Services, Environment, Consumer Protection and Business Regulation. Add to this the provincial involvement of Health, Social Security, Environment Protection, Transportation, Education and you will find that taxpayers support enormous bureaucracies which overlap and are dreadfully wasteful. How does this beleaguered taxpayer or citizen choose within these jurisdictions. Surely the time has come for governments to co-operate rather than compete for the privileges of spending tax dollars, and free the financial resources needed for one level to do things well.

Mr. Speaker, there is much truth and much to be taken from this article. I can only hope that the levels of government referred to, will begin, as I have stated previously, to co-operate rather than confront for the benefit of all our citizens.

Mr. Speaker, better than two-thirds or three-quarters of the speech delivered by the Minister of Municipal Affairs last Friday was spent in attacking the Conservative caucus. Mr. Speaker, as last spring, I will continue to invite these attacks. I think it is fairly obvious to recognize the Government and the Official Opposition are viewing the Conservative caucus as a threat in this Legislature and this province, the party to beat in the next election.

I also would like to commend the Minister of Municipal Affairs last week in stating that a study of increased provincial money to municipal or local governments is in progress. I am extremely pleased, Mr. Speaker, to see that the Government has and is now considering a suggestion that the PC caucus has made for many, many months. At least there's the appearance of a return to local authority and local autonomy. I hope this goes beyond the study stage.

Mr. Speaker, I cannot support the motion.

**Mr. D.G. Banda** (Redberry): — Mr. Speaker, it is a pleasure for me to rise and speak in this debate on behalf of the people of Redberry constituency. But after listening to the Hon. Member for Swift Current when he began his remarks, I have to correct that Member's statements. I happen to have this copy of The Election Act with me, Mr. Speaker. I'd like to refer the Members to page 124, Section 203(a): in respect to publishing certain summaries and expenses. If I go to Section D I'd like to read that to you, Mr. Speaker. It says:

Shall at all reasonable times during the six-month period next after they have been delivered to him permit any elector to inspect them and to make extracts therefrom.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — Mr. Speaker, not only they cannot read, they don't even know The Elections Act.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — One can only conclude that the Conservatives are not only misleading this House, they are misleading their own Members and the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — First of all, Mr. Speaker, I want to join with other Members in congratulating the mover and the seconder of the Address-in-Reply . . .

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — . . . the Member for Bengough-Milestone and the Member for Regina Rosemont. They are a credit to the Blakeney Government and to the people of their constituencies.

I also want to congratulate the Members for Arm River and for Melfort for their appointment to the Cabinet. I look forward to working with them in their new capacities.

Mr. Speaker, every day the people in Redberry constituency have concrete evidence that Saskatchewan, under the honest and capable guidance of Allan Blakeney, has sensitive, trusted leadership and good management of our affairs. And when I travel around our constituency, I see and hear that evidence.

Mr. Speaker, when I drive from Shellbrook to North Battleford I drive on a new Highway No. 40, built by the Blakeney Government. When I visit a small community like Leask, people tell me they appreciate the assistance provided by the Blakeney Government in paving the main street and access road to that community.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — They tell me that they appreciate the grants which assisted toward the construction of the new rink complex. The people in Marcelin see new construction under way on a senior citizens' housing project, and they know that the NDP Government cares about the people . . .

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — . . . about their communities, and their families; they know that this government is sensitive and cares enough about their community and their families to offer concrete programs to keep them thriving together.

The people of Blaine Lake see construction under way on a new campsite. They can travel to Shell Lake on a newly oiled highway. And they know that the Blakeney Government cares about the welfare of their community and their quality of life.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — At Maymont, people appreciate the convenience of a new bridge, and like people at Marcelin they see construction on another senior citizens' housing project, and they know that the NDP Government is sensitive to them as people. The Government cares about the welfare of their community.

At Rabbit Lake and at Meota, people tell me that their new senior citizens' activity centres and their new libraries are positive evidence that the Blakeney Government puts people first. I could go on, Mr. Speaker, but shortly put, the people of Redberry have the same positive evidence as do the other people in Saskatchewan. They have evidence, more solid and readily understandable than some Conservative board room mumble-jumble about horizontal versus vertical decentralization.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — Solid evidence that five years of New Democratic progress under the honest and trusted leadership of Allan Blakeney has been good news for the people of Redberry and all of Saskatchewan.

Mr. Speaker, I want to make a few remarks about the contribution made by the Opposition in this debate and to the public affairs of this province.

First, I want to deal with the contribution of the Member for Nipawin (Mr. Collver). In so doing, I hope to demonstrate the total and absolute lack of morality or policy. Last March, on March 26, to be precise, the Member for Nipawin, the Conservative Leader of today, was making his contribution to the budget debate. In his remarks last Thursday, in this Assembly, he referred to that debate, so I decided to review his remarks of last March. In that speech, he suggested that the presentation of the budget raised questions. Mr. Speaker, I want to quote what he said:

From some quarters of our community questions about the integrity of government, perhaps, questions about misleading information, questions about levelling with the people of the province.

This was, by inference, an accusation of a less than complete and exact presentation of the facts.

Now, Mr. Speaker, I'm no expert on the Holy Bible, but the Sermon on the Mount, Matthew, Chapter VII, has a message that the Member for Nipawin missed and I quote:

Judge not, that you may not be judged.  
For with what judgment, you judge,  
you shall be judged, and with what measure you mete,  
it shall be measured to you again.

He would have done well to have heeded that advice.

Mr. Speaker, the Member for Nipawin has his own particular problems respecting integrity, he has his own particular problems respecting levelling with the people of the province. He will be judged, Mr. Speaker, not only in a legalistic sense, not only by a small circle of friends (his travelling companions in the Alice in Wonderland film set, more commonly referred to as the Conservative caucus), not only by a small group of

professionals and business associates, but, Mr. Speaker, he will be judged by the highest court in this land, he will be judged by the ordinary people of this province.

**Some Hon. Members:** Hear, hear!

**Mr. Banda:** — Farmers, teachers, nurses, truck drivers, mechanics, whatever. Ordinary people who work hard for every dollar they bring home to their families, ordinary people who know well the value of a dollar and who have long since stopped counting when the figure amounts to \$1,840,192. He will be judged on his integrity and his ability to level with the people of the province, let alone with a few citizens who at one time were the closest to him, and his integrity will be found wanting.

The Member for Nipawin, in those same remarks, also had a good deal to say about estimates of revenues and expenditures, and how you arrive at deficits. He had a good deal to say about accounting and bookkeeping, talking about why the Government should not invest windfall resource revenues in the future of this province, a theme he returned to in his remarks last Thursday, Mr. Speaker, and I quote again.

It is wrong because governments and government organizations are not required to account for themselves.

Taken by itself, Mr. Speaker, that statement would have been enough to confound the average person. I would like that Member to tell me, to tell this House, and to tell the people of Saskatchewan what business organization he is familiar with that provides the general public with the kind of detail as does this government and its agencies, both regarding its planned expenditures, as we do during Estimates, and regarding its record of actual expenditures, as we do in committees studying public accounts and Crown corporations.

In fact, I challenge that Member to reveal to the public that kind of detail respecting the financial and other transactions of any company or firm of associates with which he is intimately familiar, any, from a list of companies as long as his arm; a list in which, not only some former close friends but in which the public have a keen interest.

I said, Mr. Speaker, that the last short quote taken alone was enough to confound, and so it was, but that was not enough for the Hon. Member. He went on to say and he was referring to our government and I quote:

They can juggle their books and whenever you can juggle your books, you're going to be inefficient.

Said, Mr. Speaker, by no less an authority than the Leader of the Conservatives, the Member for Nipawin.

Now, some people might rely upon his good advice and judgment and act upon it, some might repose confidence and trust in his integrity and ability, some might even believe him. On the other hand, some might say his suggestions and actions are excessive, or unreasonable, some might even say his suggestions and actions demonstrate incompetence. And I believe them. I believe them, Mr. Speaker, and so will the highest court in this province, the people.



Mr. Speaker, I said I had a few remarks to make about the contribution of the Opposition. In my haste, and because of their irrelevance, I nearly forgot about the "Liberalatives." their main contribution to this debate was put forth on Tuesday by the Opposition Leader from Prince Albert-Duck Lake. I must say that in the short association I've had with him in this Assembly, I have enjoyed his vigor, his humor, his wit, those things I will miss. I have, however, watched his career a lot longer than the time I have been in this Assembly and I have marked the things he has had to say about public affairs.

Mr. Speaker, having followed his pronouncements for some time, having listened to him on Tuesday and now, because he is retiring as their Leader, I have a suggestion to make to the "Liberalatives." Mr. Speaker, as a token of their esteem, as he goes, they ought to do something to commemorate his dedicated service. They should consider commissioning a book a collection of his speeches, a sort of "The Thoughts of Chairman Davie."

Now the research for the book might be confusing, but the editing would be straightforward enough. They could include two speeches and they've have it all. They could include his 1968 budget speech, they could include his remarks of last Tuesday. That's all they would need. They'd have contrast, plenty of it, and because of last Tuesday's effort, they'd have covered the waterfront, because everything he said last Tuesday was a rehash of the same convoluted nonsense he's been preaching since he assumed a high profile in provincial politics. The book, without a doubt, would be a thin book, Mr. Speaker. But they could compensate by having it bound with a thick cover and accordingly, our friends across the way would feel more comfortable with the commemorative effort. They have demonstrated the most thick-skinned, thick-headed approach to public affairs this province has ever witnessed.

Mr. Speaker, you have to conclude that it's no longer a case of them not being able to learn from their mistakes. They do not want to learn! Not only are they bankrupt of policy, Mr. Speaker, they are bankrupt of any kind of leadership or leadership material.

Mr. Speaker, the Liberals and conservatives who sit and deserve to sit in perpetuity, in Opposition, must hear imaginary music when they suggest that the Blakeney Government has not put people first, that it has its priorities mixed up. I want to suggest, Mr. Speaker, that they get tuned in.

The Member for Prince Albert-Duck Lake, the Opposition Leader, should change channels because right now he's only picking up the sounds of low flying Ministry of Transport jets, complete with a chorus of good looking girls, headed for that final resting place of all good Liberals, the Senate in Ottawa. He should change channels and someone other than the Member for Wascana should help him.

And the Member for Nipawin, the Conservative Leader, he has a more severe problem. Not only is he on the wrong channel, but there is some evidence that he can't hear too well, even if he weren't. No one around him seems to have the time to put the music in writing for him. Consequently, Mr. Speaker, he seems to have no choice, short of packing it up, no choice but to follow little Peter Piper, the Premier of Alberta. And it's fitting for him indeed, since he who pays the piper calls the tune.

Mr. Speaker, earlier speakers, notably the Member for Bengough-Milestone, have addressed themselves to one of the larger issues facing this province, this country and, in fact, the world community. I refer to that issue and Saskatchewan's role in the issue of production and distribution of food in a hungry world. A world which improved communications have made smaller, a world which has learned to do more things better, with the too vivid exception where sharing the world's wealth is concerned.

This country, Mr. Speaker, must chart a course which has the long-term objective of maximizing food production and guaranteeing a fair return to the primary producers. I recognize that there are limits to what we as a province can do in accomplishing such an objective. However, I want to encourage this government to continue to press for the acceptance of such objectives at the federal level. Many of the programs adopted by this government have gone a long way to further such objectives, for which I commend the Minister of Agriculture and the Government.

The recently announced cow-calf program is a case in point. It doesn't take a genius to recognize that there is not now a world oversupply of beef, any more than there was an oversupply of food or consumer goods in many parts of this country during the depression. Some people who desperately need the beef may not have the purchasing power, and what needs changing are the accepted values about distribution of that power.

I said it didn't take a genius, Mr. Speaker, and apparently in Ottawa they have only geniuses, because the Federal Government in the person of the Federal Agriculture Minister, Eugene Whelan, stood idly by and wrung his hands while the beef industry in this country and this province went from bad to worse. It fell to this government and our Agriculture Minister to offer some relief.

Mr. Speaker, to the hard pressed industry, the small producers in particular, western Canadians aren't likely to quickly forget such callous disregard by the central Canada establishment as exemplified in this issue.

The story in relation to hog production is no different, Mr. Speaker. Action by this government and callous disregard by the Ottawa Liberals. Mr. Speaker, Members opposite who want to squawk about the deficiencies of the programs instituted by this government would be better advised to do the people of the province a favor for a change and make their views known forcefully to their friends in Ottawa.

Mr. Speaker, an integral part, a key element in food production will be land use and land tenure policy. This government two or three years ago, took innovative action with the establishment of the Land Bank, the Farm Ownership Board and the FarmStart program, to ensure that young men and women wanting to farm would get help getting started and that the agricultural land of this province wouldn't be gobbled up by financial interests beyond our jurisdiction. Commendable as these steps were and are, Mr. Speaker, we must continue to work towards a comprehensive land use policy to guide the future allocation of our limited land resources among competing demands.

I suspect the decisions regarding land use will be tough ones, decisions which may strike at the roots of many preconceived notions. The challenge of those decisions will be met when we are able to raise the discussion about short-term

and perhaps personal considerations, and centre the discussion on the kind of society we in this province choose to pass on to future generations.

For my part, Mr. Speaker, I am staggered by the proportions of the food production demands faced by the next generations and I'm impressed by the urgency of the need to arrive at some important decisions regarding the use of agricultural land, and I encourage the Government to take the lead in this matter.

Mr. Speaker, you will have concluded from my remarks that I have not been impressed by the opposition in this debate. I am amazed by the negative attitude demonstrated to date by the Conservatives, not to mention their total and absolute lack of morality or policy. I am not amazed by the irrelevance of the Liberals. On the other hand, Mr. Speaker, I become more and more impressed with the sensitive and commonsense progress being accomplished by this NDP Government under the honest and trusted leadership of Allan Blakeney. Accordingly, I will, with pride be supporting the main motion.

**Some Hon. Members:** Hear, hear!

**Mr. P.P. Mostoway** (Saskatoon Centre): — Mr. Speaker, it gives me great pleasure to reply to this Throne Speech. I say this because the Speech proves, once again, that this government is dedicated to good, clean no-nonsense government. It proves that this government has a duty to protect the citizens of this province from ogre-like corporations and individuals and their provincial mouthpieces as represented by the prattling and babbling of most Opposition Members who, in accepting hundreds of thousands of dollars in political contributions from oil companies, the insurance industry and, of course millionaires, are obliged to try every trick in the book to get more for their rich and big friends at the expense of the hard-working homemakers, workers, young people and small businessmen of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Mostoway:** — Before I go on, Mr. Speaker, I would like to inform the Members of this House that my voice is a little off beat today. It seems that I went to the doctor, and he told me that I probably had a new brand of flu, it is called the Lane flu, and apparently you get it from being left out in the cold a little too long.

Mr. Speaker, Mr. Norman MacAuley, the MLA for Cumberland, was to have spoken on radio this afternoon. He is ill and not able to be present in the House, so he has asked me to say a few words to his constituents in Cumberland. He wants me to mention that he has three particular concerns, the first one being forestry. He hopes that this government will protect the people's rights from the big operators.

He also asked me to mention something in regard to commercial fishing, and he hopes there will be no overharvest insofar as commercial fishing is concerned up in Cumberland constituency. I see whenever I mention fish the Members opposite seem to come to life. He also mentioned something on trapping, and he hoped that trapping would be restricted to members from the northern community, and that outsiders would not be allowed to come in

there and take away the livelihood of northerners. Being acquainted with some Cree, he asked me to pass on a Cree phrase to his constituents at Cumberland, and I now make that attempt and it is (Translation from Cree.)

Hello and good luck to my constituents.

And I am sure that all Cree members up in Cumberland will appreciate those kind remarks that I pass on from the Hon. Member for Cumberland.

Mr. Speaker, I for one, am ashamed of the conduct of most Opposition Members who, it appears, wish to downgrade Saskatchewan and its citizens. I am ashamed of Opposition Members who ask us to knuckle under to the oil companies such as has been done by the Tory Government of Alberta. And I am sorry to see that the Leader of the Conservative Party is once again not in the House. I don't know what he is doing. I very seldom see him, and when he does come in, I would be pleased if somebody would introduce me to him to see what he looks like. I am ashamed of other Opposition Members who, I am sure, want a reduction in the various programs that this government offers the people of Saskatchewan. I am ashamed that some Opposition Members wish to re-impose a tax on the sick, that some cannot understand that most citizens of this province are not millionaires. And the Conservative suggestion that those in need of our various programs should ask for assistance on bended knees because they were not cut-throated enough in life I find that to be extremely nauseating, but it is so typically representative of Conservative MLAs in this House.

But before I go on, Mr. Speaker, with certain things of particular concern to the constituents of Saskatoon Centre constituency, I wish to go on record as congratulating the fine jobs done by the mover and the seconder of the Throne Speech, the Government MLA's representing the constituencies of Bengough-Milestone and Regina Rosemont.

I also wish to congratulate the two newly-appointed Cabinet Ministers, the Members for Arm River and Melfort constituencies. I know they are able, and I know that they will do well.

I beg your pardon, Mr. Opposition Member. I see a finger waving, and that usually gets my goal when people start waving their fingers at me.

But I also wish to congratulate the Hon. Leader of the Official Opposition, the Liberal Leader in this House, for his many years of excellent and devoted service to the citizens of his constituency and the citizens in this province. Although I did not always agree with him, I must say I thoroughly enjoyed his speeches, his wit and humor, and for this I commend him. And I say to the Hon. Liberal Leader in this House, should the Prime Minister decide to ask you to serve in the Noah's Ark of Canada, the Senate, be careful not to speak with too much gusto lest those honourable gentlemen there be aroused from their deep Rip Van Winkle-like sleep.

**Some Hon. Members:** Hear, hear!

**Mr. Mostoway:** — Mr. Speaker, I have some concerns in regard to the citizens of Saskatoon Centre constituency — concerns relative

to rent control, insurance, cable television, environment and others that I hope to be able to touch on.

**Mr. Nelson** (Assiniboia-Gravelbourg): — Like the gay movement!

**Mr. Mostoway**: — Well, I see no reason why we shouldn't be happy and gay. If you want to put on a sorrowful face that is up to you.

But in order to get the proper perspective for me to speak on these matters, I must make reference to the two Opposition parties. Now I don't know who is going to become the new leader of the Liberal Party. I have no idea if it will be Otto Lang's brother-in-law, the MLA for Regina Wascana (Mr. Merchant), or the Hon. Member for Regina Lakeview (Mr. Malone). I have no idea whatsoever whether Otto Lang's special airplane trips to the MLA for Regina Wascana's parties will be a factor or not. At any rate, Mr. Speaker, I leave the Liberal Party of Saskatchewan with all its attachments to Mr. Trudeau's party, to rest, because my charitable and compassionate instincts tell me I should not kick a party in the face when it's down, when it has no chance of ever getting up again, when it is in its death throes.

**Some Hon. Members**: Hear, hear!

**Mr. Mostoway**: — And now for a few words directed to the Conservative MLAs, those puppets on strings who, to me, are constantly being manipulated into supporting policies as dictated to them by their leader, policies that I am sure that they as a rule don't even believe in.

**An Hon. Member**: — What policy?

**Mr. Mostoway**: — Well, yes, that is a policy. You can have a policy to have a non-policy, and that is exactly the case over there. Now I have no quarrel with a political party that represents a segment of the population of Saskatchewan, but I loathe hypocrisy such as I heard from the Conservative Leader the other day as he read his speech in the House.

**Mr. Whelan**: — He didn't read it.

**Mr. Mostoway**: — Oh, yes, he read it after telling us that we shouldn't read ours. Mr. Speaker, I listened with great interest as the Conservative Leader talked of honesty, for I knew full well he was talking about the Premier. I know he was referring to the Premier because no one in this province has ever questioned the Premier's honesty. And when the Conservative Leader mentioned the need for trust, I again knew he was talking about the Premier whose trust no one, and I repeat no one, has ever questioned.

**Some Hon. Members**: Hear, hear!

**Mr. Mostoway**: — Mr. Speaker, I like to judge a man by his actions in and out of the political arena. I have little time for inconsistency in this area which tempts me to terminate my remarks promptly on this subject. But this I can't do because I believe all Hon.

Members in this House have a responsibility to present the facts to the citizens of Saskatchewan.

Now let me point out some of these facts. Last year the Conservative Leader, no doubt through his business experience, predicted a huge deficit for the Provincial Government. Gentlemen, he was dead wrong. He states that his party alone speaks for the people. When one looks at the record of his party when it was last in power and how it took no action to protect minority groups, one can easily imagine him to be dead wrong again.

When he fights for higher profits for oil companies, we can assume that the Conservative Leader is again wrong in trying to tell us that this is good for the citizens of Saskatchewan. When he implies he would wreck or sell our Crown corporations to private entrepreneurs, we know he is wrong once again. When he implies there are too many subsidies to such people as our senior citizens, our students and certain smaller businessmen, and when he implies we should not subsidize such organizations as our various family service bureaus or the Association for the Mentally Retarded or the University, we know him to be dead wrong once again.

Mr. Speaker, when one is wrong so often, what conclusion can we arrive at, in light of what I have just said, when he asks this House and the citizens of this province to have faith in him; when he asks for trust, when he asks for our belief in him? With this in mind, I leave you to ponder these things on your own.

Mr. Speaker, I want to spend a few minutes on an area of great concern to many constituents of Saskatoon Centre constituency. Now, in my constituency there are many large apartment buildings. For the most part the owners of these large apartment buildings are reasonable landlords. Some are not happy with rent controls, others are. For the most part tenants feel rent controls have been good. However, a few large landlords in Saskatchewan have decided to use every despicable means at their disposal to get around rent controls. Some have tried to . . .

**Miss Clifford:** — Do you give drama lessons?

**Mr. Mostoway:** — Well, if you would like some lessons I would be more than pleased to give you some this evening.

**Some Hon. Members:** Hear, hear!

**Mr. Mostoway:** — Never before, Mr. Speaker, have I been asked such a thing on the floor of this House.

Now some have tried to break these lease arrangements, some landlords have almost completely ignored the wishes of the House by increasing rents beyond legal limits. These same few large landlords have even resorted to threats to achieve their ends. And when I say threats, that is just what I mean, for what can you call harassing tenants who are caught in a vicious game between these same landlords and government.

Mr. Speaker, no one . . .

**Mr. Nelson** (Assiniboia-Gravelbourg): — They are sick . . .

**Mr. Mostoway**: — I beg your pardon, did you tell me you are sick. I am sorry, Mr. Opposition Member, I thought you were telling me you were sick.

Mr. Speaker, no one in this province is above the law, not even the owners of large apartment buildings, and I find these anarchist actions of these same landlords to be such that it warrants a thorough legal investigation. . . ., the citizens of Saskatoon Centre want those large landlords who have been collecting illegal rent increases prosecuted. They want an end to certain citizens thinking that they are above the law. Further to this, Mr. Speaker, I realize that changes might be in order in rent control legislation, which all political parties agreed to last year. I realize that some landlords are caught in the freeze with lower than reasonable rents, and it is with this in mind that I hope that any changes in rent control legislation protects the reasonable landlord, and that it protects the reasonable tenant, that it puts a stop to the tenant having to live with illegally high rents and that it stops a few men from using every nasty trick in the book to achieve their illegal ends.

Mr. Speaker, I wish to spend a few moments on the absence of cable television in this province, a situation for which I blame the Liberal appointed CRTC Commission and the Conservative Party of Saskatchewan. And Otto, oh yes, he is always involved there. When a fellow gets around like that, he has got to be involved in a variety of things. I say that the Liberal Party is to blame because I am sure the Federal Liberal Cabinet expressed a desire to see private television cable companies operate in Saskatchewan, particularly in Saskatoon. I view its meddling as positive proof that it does not want Saskatoon, through the Cable Television Co-op, to have jurisdiction in this area. To me it means the Federal Government feels it cannot trust such Saskatoon Cablevision Co-op members as the University of Saskatchewan Film Society, or the Alliance of the Youth and the Elderly, or the Boy Scouts, or the Pensioners and Pioneers Organization or the YWCA, or the SPCA, or the Indian Cultural College, the University of Saskatchewan, the Saskatoon Separate School Board, the Chinese Freemasons Athletic Association, and Anglican, Lutheran, Mennonite and Catholic Associations.

Mr. Speaker, for the Federal Government to deny the people of Saskatoon cable television because it feels it can not trust these organizations is downright disgraceful. And because it feels it cannot trust them, it has put in a hooker, a sort of smoke screen, whereby it is demanding that the private company, which has been given a Saskatoon licence, own part of Sask Tel.

Mr. Speaker, this mistrust of Saskatoon people coupled with their hatred of Crown corporations is responsible for the people of Saskatoon being denied cable television. In this regard I ask them to back down, because, gentlemen, backing down when one is wrong is an honorable thing to do.

But what about the Conservative position on cable television? Well, I recall that not too long ago the Conservative Leader said, "We should allow the private company to go ahead and serve the people of Saskatoon." He also went on to say that as to who had jurisdiction could be sorted out at a later date. Mr. Speaker, I believe that what the Conservative Leader had in

mind was that once the trend is established, that trend stays. What he was really saying was that the private cable television company should be given the go-ahead, knowing full well that once it gets into the field there will be no way that the trend to private ownership could be stopped or prevented from eventually gaining complete control of all aspects of cable television in Saskatoon.

And so I say to Conservative and Liberal MLAs, stop trying to deny the citizens of Saskatoon the opportunity to control, at least partially, certain aspects of cable television. You may owe the private entrepreneurs something in return for handsome political donations, but you owe the citizens of Saskatoon more — your trust in them to control their own destiny in the area of cable television.

**Some Hon. Members:** Hear, hear!

**Mr. Mostoway:** — Mr. Speaker, I want to make a few remarks in regard to the proposed uranium refinery in the vicinity of Saskatoon. I have heard many pros and cons on the subject, so much so, that I, as probably many others, am not too sure as to what the right move might be in regard to this proposed venture.

But, Mr. Speaker, I do feel that before anything concrete is done, before options are taken by Eldorado Nuclear on land in that particular area, public hearings should be held. I believe that to hold public hearings on this proposed refinery after land options are taken is really putting the cart before the horse. I urge the Government to arrange for public hearings at the earliest possible date so that the Federal Government can better appreciate the feelings of citizens on this matter.

Mr. Speaker, I think this government should be commended for asking for and receiving proposals from the Reparations Committee relative to automobile and related insurance. Now I am sure that the principles behind these proposals are sound. They are sound, to my way of thinking, because they would do away with long drawn out court cases where the only real beneficiaries are the lawyers involved in these cases. Now, I don't have to point out to Members of this House, the fact that those involved in automobile accidents are usually the ones least able to afford to pay lawyers in order for them to obtain justice. Therefore, I say the cutting out of lawyers and the courts in settling disputes will be welcomed by all.

But, I do want to go on record as saying many of the constituents of Saskatoon Centre, while believing in the principles involved, are not prepared to accept having to pay a reasonably large sum as a deductible when they are not at fault, and it is this clause which I should like to see either withdrawn or greatly modified.

Mr. Speaker, I want to go on record as protesting most vehemently, the propaganda campaign now being waged by the insurance industry of Canada. This parasitic industry has gone too far in its propaganda campaign to, as it says, "Free Enterprise."

After having made fantastic profits over the years, some of which were made by nearly fraudulent means, this industry now has the callous gall to greedily want more from the citizens of this country via what it calls the free enterprise system.



Free to do what, I ask? Is it to put more profits into the hands of the owners of these insurance companies whose offices are usually located in Central Canada or the United States?

But what really hits me where it counts, Mr. Speaker, are the distasteful and biased advertisements they have been bombarding us with. I recall one such ad showing a seagull flying overhead. Now, having done some sailing in my life, I know what a seagull overhead can do to you, and that is exactly what the private insurance industry operating in Canada has been doing to us, spreading the economic gospel on us all via the seagull depository method. But what I most took offence to, Mr. Speaker, was the television ad which had as its main character a man who spoke broken English and who implied the communist takeover was imminent. Such bad taste I have never seen before in my life.

Mr. Speaker, I believe somebody is ill over on the other side of the House. It sounds as if he is suffering from severe stomach pains, and I urge you to possibly see a doctor, honorable gentleman.

**Miss Clifford:** — You can't get one.

**Mr. Mostoway:** — Mr. Speaker, now these kinds of scare tactics are meant to generate fear among Canadians. It's a fear the insurance industry is trying to capitalize on, and I ask this industry to stop using racial minorities in this despicable manner.

Now I ask you, Mr. Speaker, how many members of boards of directors of these insurance companies even come close to fitting the citizen in this particular ad? I'll tell you — not a single one. So I say to these companies, if these citizens are good enough for you to take their insurance premiums, if they are good enough to play parts in your advertisements, how come none are on your boards of directors?

Mr. Speaker, we on this side of the House know why. The people of Saskatchewan know why, and I ask this industry which contributes heavily to Liberal and Conservative coffers, to cease and desist, to refrain from using racial bigotry to enrich their coffers. It is offensive to racial minorities as well as racial majorities who live in harmony in this province, and because I believe this industry to be irresponsible, Mr. Speaker, and because its profits are out of all proportion to the service it renders, I want to once again suggest that this government seriously consider getting into the life insurance business in the near future. I say this because it makes poor economic sense to let these foreign companies drain money out of Saskatchewan year after year. I say this even though Conservative and Liberal MLAs will defend these giant insurance companies to the hilt as they have in the past defended other big business concerns.

Mr. Speaker, I have other concerns on which I would like to speak, concerns relative to increased assistance for the elderly of Saskatchewan, more public housing and government involvement in the construction of housing, and related to this, lower mortgage rates as could be accomplished by the Federal Government working in conjunction with the Provincial Government.

I should also like to bring to the Provincial Government's attention the drastic need for student parking at the Kelsey Institute in Saskatoon. In this area parking is a nightmare and

has been for quite a number of years. Surely the time has come for a solution, a solution which will satisfy students and residents of the area alike.

Mr. Speaker, I believe no one in this House will deny that Saskatchewan has the best consumer protection legislation in the country. For this I am sure the citizens of Saskatchewan are thankful. I am sure many are thankful for the many consumer complaints resolved by the Department of Consumer Affairs offices located throughout the province. But as a general rule, these consumer offices involve themselves after consumers have been wronged. What I should like to suggest, therefore, is a government consumer products testing laboratory to inform our citizens before they fall victim to various goods and services offered.

Now I do not wish to imply that all goods and services offered are below what they are represented to be, but some are, and I believe that to inform our citizens beforehand would do much to avoid our citizens from being taken in by these few shyster outfits that make it a practice to prey on our citizens whose only fault is that they are trusting.

Perhaps the University of Saskatchewan could be involved in such a goods and services testing scheme. One is needed, and the sooner the better.

Mr. Speaker, I want . . .

**Mr. Malone:** — They could test the law school.

**Mr. Mostoway:** — . . . They could test the law school, if that's what the Hon. Member thinks should be done, then I would suggest that that could be the first place they could study.

Mr. Speaker, I want to spend a few minutes on health care in this province. I want to bring to the attention of this House a false impression as put forward by Tory and Liberal MLAs who delight in distorting the facts relative to health care. They erroneously tell the citizens of Saskatchewan that our desire to control our own resources such as potash and oil has led to a deterioration of health services. They are wrong, Mr. Speaker, for not one penny of money used to ensure that our children will own our resources, has been taken away from health services.

Mr. Speaker, our health services budget has been drastically increased, but how can a provincial government cope with Federal Government inflation which has seen certain equipment, goods and services increased by up to approximately 35 per cent in one year?

Well, I for one, know full well that what we really need is a full scale inquiry into the whole area of how our dollars are being used in the field of health services. And at times I get annoyed at suggestions by Opposition Members that this government imposes a tax on those unfortunate enough to become ill or unfortunate enough to become hospitalized.

Conservative Alberta may impose a sick tax; the Leader of the Saskatchewan Conservative Party may wish to make the sick pay through the nose, the Liberal Members opposite may wish to gouge those in hospital beds, but I am sure this benevolent government will never knuckle under to such inhumane demands.

And while I'm at it, Mr. Speaker, may I suggest that the day surgery program recently announced for Saskatoon has met with great enthusiasm. And this program seems to me to be a start at attacking the root of the problem which, to my way of thinking, proves that far too many patients are needlessly kept in hospitals for tests which could very well be performed without hospital beds being tied up. Mr. Speaker, I know of cases where patients have been confined to hospital beds for days at a time only to be told, many days later, and after certain tests, that their health is good.

What I am really asking, Mr. Speaker, is whether or not we should be thinking of some sort of physical facility whereby these tests could be performed without tying up a \$120 a day hospital bed.

Mr. Speaker, last summer I had occasion to visit a hospital to see first-hand the various equipment and services offered. I have to say, in all sincerity, I was amazed at the high priced equipment which, I presume, is found in most hospitals. And then it dawned on me that it might be an excellent idea to occasionally allow the citizens of Saskatchewan to visit such places, along with others, to see first hand how their money is being spent. I think allowing this sort of thing would allow our citizens to better appreciate the tremendous amounts of money spent on facilities and equipment such as may be found in our hospitals, the Cancer Clinic and other related facilities.

Mr. Speaker, before I sit down, I should like to spend a few moments on wage controls. I will make no mention of price controls because this concept is a figment of the Federal Government's imagination.

I have always been against wage controls because I feel that to restrict those who come under this plan — workers, pensioners and others, who are bearing the brunt of a plan to fight inflation, is not fair. How can wage earners and those on fixed incomes be asked to accept minimum increases when the price of essential commodities and services skyrocket yearly without controls. Ask the homemaker about the increases she runs into almost weekly when she goes shopping at the supermarket. Ask the pensioner when he or she is confronted with a situation where the increase may be double over what it was a year before. Ask the citizen on compensation or the single homemaker. They will tell you that wage controls shackle those least able to help themselves.

Mr. Speaker, in light of the fact that the rate of inflation in the USA has decreased without wage controls, it is my feeling it is time to either lift wage controls in Canada, or to impose meaningful price controls in all areas in the name of economic justice.

Mr. Speaker, from my remarks this afternoon, I am sure all Members of this House can detect that after having voted against the Conservative and the Liberal amendments which would have given more to big business, and less to the good citizens of this province, I will be supporting the Throne Speech which is designed to provide good government for all citizens and future generations to come.

**Some Hon. Members:** Hear, hear!

**Hon. N. Vickar** (Minister of Industry and Commerce): — Mr. Speaker, may I first mention the passing of a long time supporter, Wesley Eastman. He passed away yesterday morning after a very brief illness. Wes worked hard for this government, as many of you know, for many years and as many years as I can remember. He was my campaign manager during the 1975 election. Wes was the Reeve of the Rural Municipality of Star City for many years and then later a councillor and he held that post until his death yesterday morning. Wes was associated with the Saskatchewan and the Canadian Seed Growers Association for many years.

Mr. Speaker, the people of the Melfort constituency and I, and all who knew Wesley Eastman, join with me in extending our sympathy to Mrs. Eastman and the family. Wes will be missed by all in the community and especially in the political arena. Mr. Speaker, many of the Members of the Government, along with myself will be attending the funeral on Thursday at 2:00 o'clock p.m. in Melfort, Saskatchewan.

Mr. Speaker, it is a pleasure for me to speak in the Throne Speech Debate in my capacity as the Minister of Industry and Commerce. First, however, I should like to congratulate the mover and the seconder of the Throne Speech, the Member for Bengough-Milestone and the Member for Regina Rosemont, for the capable manner in which they made their presentations. I should also like to congratulate Dr. Don Faris on his appointment to the Cabinet. His is an important post and I am sure that he will be a credit to his position and the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Vickar:** — In addition, I should like to thank all my colleagues in government and all those opposite for extending to me their congratulations on my appointment. I can assure you that I will discharge my duties honestly and fairly in a manner deserving the portfolio I was given.

**Some Hon. Members:** Hear, hear!

**Mr. Vickar:** — Mr. Speaker, I wish to express my thanks to all my constituents for their support and their congratulatory messages on my appointment. Let me assure my people that they will receive the same assistance from me now even though my time will be spent mostly in the capital city. Their problems if any, Mr. Speaker, will be taken care of with the same speed and co-operation by me and by all government departments.

Mr. Speaker, the health of our province's economy is very, very important to this government. I want to talk today about the past, present and future aspects of Saskatchewan's economy.

From the time the present government was elected in 1971, it has been alert to both weaknesses and strengths in the province's economy. And it has been concerned that the steps be taken to ensure economic growth, diversification and balanced development.

Our first task after we were elected five years ago, was to turn around the Saskatchewan economy, which had been sliding

backwards under eight years of Liberal administration, to get the economy moving again.

Let me take a look at the record since 1971. Total investment in Saskatchewan during 1975 was up 30 per cent over 1974; and 150 per cent over 1970; both very impressive increases.

**Some Hon. Members:** Hear, hear!

**Mr. Vickar:** — Personal income in 1975 reached \$5.2 billion compared with \$2.1 billion in 1970. During the '60s personal income per capita in Saskatchewan averaged 86 per cent of the national figure. This has steadily increased during the '70s until 1975 Saskatchewan's per capita personal income reached par with the national average.

Mr. Speaker, during 1975 housing starts in Saskatchewan grew at a faster rate than any other provinces in Canada. A record 10,500 new units were started; 37 per cent more than in 1974. A far cry from the 1970 figure of only 1,700 housing starts.

A steady increase of manufacturing activity in recent years continued during 1975. The province's value of factory shipments for the year stood at \$1.1 billion or double the 1970 figure. Total new investment in manufacturing reached \$85 million, a 63 per cent increase over 1974. Employment in manufacturing under the present NDP Government is the highest it has ever been in Saskatchewan.

During 1975 Saskatchewan's employed labor force reached 373,000; up 4.5 per cent of 16,000 more people than in the previous year.

**Some Hon. Members:** Hear, hear!

**Mr. Vickar:** — The province's average unemployment rate declined from 313 per cent in 1974 to 2.9 per cent in 1975, substantially lower than the national average of 6.9 per cent. At the same time Saskatchewan's population continued to increase after declining from a high of 960,000 in 1968 to 908,000 in 1973, the population has now grown to 932,000 as of June 1. And the momentum is continuing in 1976.

The 1976 Saskatchewan Economic Review reports that during the first half of 1976 employment in this province was up 3 per cent over the same period in 1975. The retail sales during the first four months of 1976 had increased by 14 per cent over the same period in 1975. That provincial growth domestic product at market prices is expected to increase by approximately 15 per cent in 1976 to reach \$7 billion.

Mr. Speaker, the record speaks for itself. Even more remarkable is that Saskatchewan has continued its strong upward course during the last two years when most of Canada was in a deep recession.

We intend to sustain and encourage Saskatchewan's recent economic momentum because we are committed to stabilization, stabilizing the province's economic base.

Mr. Speaker, I want to emphasize today that the Saskatchewan economy is a changing economy. It has changed from an almost entirely agricultural economy to one in which non-agricultural industries now contribute more than 50 per cent of the province's commodity production. Historically, we depend primarily on our natural resource sector, particularly agriculture, leaving our economy vulnerable to sharp fluctuations in the demand for these resources.

In the past development often bypassed those most in need. We saw a heavy migration of our young skilled, family forming citizens. Manufacturing was held back by constraint, such as our landlocked location, our distance from the major north American markets and national transportation policies.

This government has been mobilizing the full resources of the Department of Industry and Commerce and other provincial agencies to move now, when times are good to give our provincial economy a new direction. This government is also working with the Federal Government to increase the effectiveness of federal industrial development programs in the province and to increase their responsiveness to our development objectives.

Earlier this year at the annual convention of the Saskatchewan Chamber of Commerce the Hon. John Messer released a white paper entitled, "An Industrial Development Strategy For Saskatchewan." In this paper, Mr. Speaker, my predecessor outlined the development objectives of the Department of Industry and Commerce. Strategy stresses the need to take advantage of the province's current economic buoyancy in order to diversify Saskatchewan's economic base. It aims to provide quality jobs for new entrants to the work force and people returning to Saskatchewan. To capitalize on our current strengths, to increase resource processing within the province, and to provide a more balanced economic development throughout the province.

After suffering from the recession conditions during the late '60s through the early '70s, Saskatchewan has outpaced the national economy in recent years. Using any major economic measure in growth of housing, retail trades, manufacturing and personal income, our responsibility now is to see to it that the province's industrial base is developed to its full potential. This will ensure that we maintain our present economic strength. The development consists of building on our strengths as well as overcoming our weaknesses.

While the Saskatchewan economy has improved greatly over the last few years, the lack of growth up to the early '70s left the province with a number of weaknesses which must be recognized and overcome. Saskatchewan has been one of the least industrialized provinces in Canada. We are working to rectify that situation. And we intend that the implementation of this industrial strategy will be one of the major tools we use to that end.

Mr. Speaker, recent events emphasize that industrial development can play an important role in the expansion and diversification of Saskatchewan's economy. Despite the traditional limitations imposed by location, relatively small population, size and national transportation policy, the fortunes of the manufacturing sectors in recent years have turned upward, reflecting in part, the sharp improvements in the province's resource sector, especially agriculture. This in turn offered a wide range of opportunities for both processing activities and industries supplied by the resource industries.

From 1971 to 1975, an average of 1,750 jobs per year were added to the manufacturing work base. This was a growth rate of 7 per cent, triple the national rate. During this period manufacturing accounted for over 20 per cent of the increase to all our employed work force.

All signs point towards an even greater role for manufacturing in the future growth of Saskatchewan's economy. Over the next few years, farm income cannot be expected to show the dramatic increase that they have had in the recent past. Manufacturing and other non-agricultural sectors must be able to take up that slack.

While the Department of Industry and Commerce has been refining its development efforts in order to meet this challenge, my department is also vitally concerned with where industry locates within the province.

Manufacturing gains took place in Saskatoon and Regina. But just as important, many smaller centres also displayed the capacity to generate new manufacturing activities. The strategy recognizes that it is essential to foster the industrial and commercial potential of all sizes of centres in the province to ensure that provision of a full range of location and employment options to residents of the province. In particular it emphasizes the development of a system of agriculture service centres, providing full range of urban services and amenities to the province's rural residents.

Mr. Speaker, the Department of Industry and Commerce in the past few years has stepped up its efforts to improve the industrial and commercial development prospects of our smaller communities.

Some examples of the many communities which have benefited or will benefit from the new expanded businesses are the following: Biggar, where completion of the Heniger Malting Plant, at a capital cost of \$15 million would create 50 new jobs, Englefeld, where modernization of Schulte Industries Ltd., at a capital cost of \$440,000, has created 20 new jobs. Weyburn, where completion of the new Sterling Structures Company Facility in Weyburn, at a capital cost of \$120,000 will create 50 new jobs. Big River, Saskatchewan, where the new Saskatchewan Forest Products mill at a capital cost of \$5,660,000 has created 30 new jobs.

Mr. Speaker, the strategy statement projects industrial opportunities for five broad sectors; agriculture, secondary wood base, iron and steel, non-renewable resources based and other manufacturing over the next five years. For the five sectors it anticipates that about 100 projects could generate a total capital investment of up to \$770 million creating 6,200 jobs.

We have been working selectively to encourage new and promising industries to locate here. Equally important it is the strengthening of industries which are already here and enabling them to expand. The strategy points to key industries that any truly diversified economy must have to provide the foundation for future growth. Steel is basic to many secondary fabricating and building activities. A large fully developed iron and steel complex represents a cornerstone in the future economic base of our province and is the objective of the Canada-Saskatchewan Iron and Steel Agreement, signed in 1974.

Mr. Speaker, efforts must be made to ensure that Saskatchewan receives the full benefits associated with the further expansion in the farm sector and with the processing and manufacturing of goods derived from farm products.

The primary and secondary work based industries afford an opportunity for a greater utilization and upgrading of our forest resources and offers the largest single opportunity for the central and northern areas of Saskatchewan.

World demand for our resources is very strong. This fact gives us a particular advantage in attracting investment and developing our resources on terms favorable to the residents of Saskatchewan. Too often in the past Saskatchewan's mineral and agricultural products have been shipped out of the province in raw form to be processed elsewhere. Our bargaining position has never been better to encourage industry to do more of the processing here in Saskatchewan.

While the development strategy sees the public sector playing a key role in the control, development and the extraction of the province's non-renewable resources, it also sees a clear and extensive role for the private sector in the manufacturing and processing stages of resource based activities in the province, as well as in the commercial sector.

**Some Hon. Members:** Hear, hear!

**Mr. Vickar:** — As part of the strategy, Mr. Speaker, this government has developed policy guidelines for foreign investment in Saskatchewan. The guidelines reflect the Government's development objectives for key sectors of the provincial economy.

Mr. Speaker, I am announcing these guidelines today to clarify our position for those who have expressed concern and uncertainty about the investment climate in Saskatchewan and in Canada in the recent years, particularly since the introduction of the Foreign Investment Act in 1974.

Under this federal Act the Foreign Investment Review Agency on cases affecting the province, the Government of Saskatchewan also evaluates the benefits to accrue to its citizens. In addition to considering the federal criteria in a provincial context, such as the effects of foreign ventures on innovation, a number of other general factors are considered by the province.

Consistent with the Government's development aims for Saskatchewan, the foreign establishment potential contributions to the province's economic stability and diversification is an important consideration as might be desirability of a new facility locating in one of Saskatchewan's smaller centres.

Just as the Federal Government has deemed it desirable to limit the extent of foreign control in certain sectors of national interest, such as banking the Saskatchewan Government believes it is the province's long term best interest to establish guidelines for major sectors of the provincial economy.



The province's guidelines were formulated to cover five broad sectors. The Government generally welcomes foreign investment in the manufacturing sectors, provided that significant benefits accrue to the province.

In the energy resource extraction sector, the Government is generally against the expansion of foreign control. Consequently, foreign takeovers in the oil, gas and coal industries are opposed as a matter of policy while proposed major new ventures in this sector are subject to close scrutiny.

In the development of Saskatchewan's other non-renewable resources the Government sees a definite role for foreign direct investment. However, firms must be fully aware of Saskatchewan's commitment to manage these resources for the maximum benefit of its people. Consequently investors in this sector should be prepared to enter into joint ventures with government agencies in the exploitation of these resources. The Government generally opposes direct foreign investment in the primary production of renewable resources chiefly in agriculture and forestry.

The Foreign Ownership Act of 1974 restricts the amount of land that non-resident persons or corporations may own or control. In the forestry sector the Government will approve foreign investment only where the investment is of singularly significant benefit and where no Canadian or government controlled firms are willing to undertake this investment.

In the sector which includes personal and business services, retail and wholesale trade, construction, real estate, financial institutions the Government prefers to see much of the anticipated expansion taking place through Canadian controlled enterprises. This preference obviously will be reflected in Saskatchewan's assessment of foreign investment proposals in this sector.

Mr. Speaker, it is our responsibility, provincially and nationally to identify those sorts of enterprises in which foreign control will be prohibited or limited. However, we must remember that as a province with great potential for development it is also in our interest to encourage investment whether foreign or domestic, in certain sectors of our economy. Not all of the Department of Industry and Commerce energies are directed to developing new industries in Saskatchewan. Complementing our industrial efforts are business assistance programs aimed at helping the small business people in the province. Trade assistance programs are directed towards increasing the market penetration of Saskatchewan producers in out-of-province markets, and a program for the disadvantaged designed to draw out the full economic potential among unique groups in our society.

Mr. Speaker, this government has stressed the need to decentralize the delivery of services. The department now has business assistant representatives with permanent offices in North Battleford, Prince Albert, Saskatoon, Tisdale, Yorkton, Estevan, Swift Current, Moose Jaw and Regina. Industry and Commerce with the support of this government has today a fine professional staff which is determined to build on our strength in this province. This is a vivid contrast to the Liberal regime when all industrial development activities were concentrated solely in ministerial offices.

Mr. Speaker, complementing the Department of Industry and Commerce is one of western Canada's strongest development corporations, the Saskatchewan Economic Development Corporation. This corporation began actual operation in July of 1963 and of the 18 applications for loans considered during that year, a total of nine loans averaging \$21,000 were approved. From this rather modest beginning some 13 years ago SEDCO has grown strongly and confidently to become one of the province's most important suppliers of business financing with total assets of more than \$110 million. Since its inception the corporation has approved over 900 loans and guarantees amounting to a quarter of a billion dollars. I want to point out that the increased volume in business lending activity has taken place only recently. Over 60 per cent of the number and almost 60 per cent of the value of the loans were approved within the last three and one-half years. SEDCO today has nearly 400 clients involved in many diverse business endeavors, in over 150 different communities in our province from Lac La Ronge in the north to Estevan in the south; from Moosomin in the east to Lloydminster in the west.

It is also important to note SEDCO's role as an instrument to encourage and attract out-of-province manufacturing investments and expertise to Saskatchewan, and to assist in promoting future growth of business already in the province. The corporation has acquired by the end of 1975 equity positions in 21 companies located and doing business in this province, a total investment of \$25 million.

The corporation's Industrial Accommodations Program in recent years has contributed much to the expansion and growth of manufacturing and processing industry in this province. The corporation's investment in property for lease to business and in lease purchase agreements totalled more than \$10 million by the middle of this current year. The availability of corporation owned property and serviced industrial land located in various major centres throughout the province has been instrumental in promoting additional manufacturing investments.

The growing portion of the corporation's Industrial Accommodation Program has in recent years been directed to new plant construction, designed for and leased to specific clients.

Mr. Speaker, the management services program is a relatively new innovation. The purpose of this program is to provide advisory service to SEDCO clients in areas such as sales, marketing, finance and production. The results of bringing about more balanced development and fostering small business and creating job opportunities all over the province have been exactly what we have hoped for. Of all loans approved in the current year, 74 per cent have been in favor of business located in smaller cities and rural parts of Saskatchewan. This is a substantial increase over 1975. In the past three years alone SEDCO by providing financial assistance has been instrumental in creating 2,000 direct jobs in centres other than Regina and Saskatoon.

**Some Hon. Members:** Hear, hear!

**Mr. Vickar:** — In closing, Mr. Speaker, I want to say that providing a new direction to Saskatchewan's economy is a constantly evolving process. We have made a start. The economy has emerged from a serious recession and in recent years has been

buoyant. We have delivered an industrial development strategy aimed at building on our strengths and correcting our weaknesses, but we still have much work ahead of us. We must sustain our efforts, we must be prepared always to adapt to changing national and international economic conditions. I am confident that we are much better equipped today than we were five years ago to continue moving forward.

Mr. Speaker, with that you will understand that I will be supporting the motion.

**Some Hon. Members:** Hear, hear!

## STATEMENT

### QUESTION OF PRIVILEGE — MR. COLLVER

**Mr. Speaker:** — During the Address-in-Reply Debate yesterday the Hon. Member for Nipawin first rose on a Point of Privilege and later on a Point of Correction with regard to the remarks of the Hon. Member for Biggar (Mr. Cowley), relating to campaign contributions and the number of Progressive Conservative memberships sold in the province. I have checked the verbatim record very carefully, first to see if any privileges of the Assembly have been violated. I rule that there was no *prima facie* case or privilege raised in the Member's remarks.

As to the question of the actual number of memberships sold, this is a debate as to what is fact and it is not the duty of the Chair to ascertain which set of figures are correct. The Hon. Member for Nipawin asked for withdrawal of the Member for Biggar's remarks regarding the membership figures. I find that neither the privileges nor the rules of the Assembly have been violated and, therefore, rule that a withdrawal of the remarks by the Hon. Member for Biggar is not required.

**Some Hon. Members:** Hear, hear!

The Assembly resumed the interrupted debate on the Address-in-Reply.

**Mr. J.G. Lane** (Qu'Appelle): — It is with a great deal of pleasure that I enter this debate. I should like to congratulate the mover and the seconder. I know that they are looking forward to joining the other 50 per cent of the caucus members in the Cabinet. I should like to congratulate the two new Cabinet Ministers. I will sympathize with the rest of the caucus members who are just about in a minority position and are going through an awful lot of serious soul searching now to find out why they didn't make it. I know it is not going to be easy for them to take a look at the Cabinet benches and when they see what's there they are going to have a great deal of difficulty justifying in their own mind why they were left out.

I should like to make some general comments, Mr. Speaker, with regard to what I believe to be one of the major issues facing the people of this country. I think recent elections have shown a definite reaction to so-called social democratic government. Sweden and Australia, nearly a change in Germany, severe labor party problems in England. And even so far that a democratic president campaign on government reorganization and restraint and a restraining of government expenditures

unless the economy can afford it. An indication throughout the world, the free world, of a reaction against the so-called small "L" liberal and the so-called social democratic governments.

I believe, Mr. Speaker, that we are seeing a fundamental erosion of government in the form as we have known it, a form of government devised and supported by small "L" liberal government or social democratic government. I believe that these administrations, this form of government, is failing for three reasons. I believe that this form of government has raised false hopes in many of our people; and that this form of government has failed to deliver programs which deal, and I emphasize the word 'effectively' with social problems. This form of government has led to systems of government administration which are fraught with waste and mismanagement and in fact bad management. And above all they are leading to a system which removes individual responsibility.

I believe a most significant document was tabled in the House of Commons last week, that is the latest report of the Auditor-General of Canada. I've referred in this Assembly in the past to last year's report which strongly criticized in the Federal Government for financial mismanagement. As a slight bit of background to the Members, when the present Auditor-General of Canada, Mr. James J. Macdonell, took over he realized he had to have an in-depth evaluation of the Government's financial and internal controls. The Financial Management and Control Study was subsequently established and he was able to obtain the services of professional personnel from accounting firms. The study was an in-depth study of 28 departments and agencies.

Literally hundreds of findings and recommendations led to one clear conclusion,

The present state of the financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards and quality and effectiveness.

In fact the Auditor-General of Canada said that the Federal Government's management is inadequate and that Parliament itself can no longer measure accountability — accountability being comparing what has happened to what was supposed to happen.

He found that in the Government of Canada there is no government-wide budgetary control information available to help control overspending or freeze excessive resources. The 1975 report in fact indicated that the deputy ministers themselves failed to live up to their responsibility for financial management and control.

Now I realize the present Premier has said that to criticize such a situation, is in fact declaring war on civil servants and attacking the ones who cannot defend themselves. to make such criticism, of course, is to ignore and cast aside this extremely concerned document and extremely sound document and that is the most recent report of the Auditor-General of Canada. To say that they cannot defend themselves, of course, I think has been refuted by the recent announcement in Ottawa that a Royal Commission would now be established to look into the very thing that the Auditor-General has spent three years on, a Royal Commission that is a complete and utter waste of time, a Royal Commission which in fact, I believe will attempt to cover up Government's mis-management in Ottawa.

But the interesting thing about the most recent report, Mr. Speaker, is that for the first time anywhere in North America we are given by responsible individuals who have had a chance to study the failures of government, the main reason for the financial failures and mismanagement which have led to Parliament being unable to oversee public spending. This inability of Parliament to oversee public spending and the fact that Parliament is losing or has in fact lost effective control of the public purse is, of course a fundamental blow to the very reason for the existence of Parliament. But the reason that was given and it was given most clearly in the very simple fact which is basic to every social democratic government, or every small "L" liberal government, and that is the fact that governments of that ilk promote people to administrative positions who are recognized for their policy advising talent rather than any abilities as administrators. I will document today the very situation happening in the Province of Saskatchewan.

The Auditor-General of Canada has said that the very reason for existence of Parliament is being eroded by governments that are program-oriented and not administratively competent.

I believe that the sole guiding principle of small "L" liberal governments and social democratic governments has mainly been the supply of wants, actual or perceived. It is the standard or maxim of American politics that the government that keeps getting re-elected is the one that does what the people want. I believe that that is the sole guiding principle of so-called social democratic governments. This approach has led to program-happy departments and deputy ministers and has not led, and has in fact ignored, effective public administrators. In fact, it has led to the situation in the Government of Ottawa which was set out in the Starnes Report — I might advise this House, Mr. Speaker, that the Starnes Report was prepared by a former senior official with the Department of External Affairs, and by the government's own admission, by this particular individual, he says that the civil service at Ottawa is too large and growing too fast; that there are many employees who are being paid more than they are worth; and there are many employees who quite simply do not have enough work to do. Again, to quote Mr. Starnes:

The general attitude in the civil service in Ottawa is a sometimes weary, cynical acceptance of a system of public administration that has grown too complex and too large to control.

He goes on.

About 10 per cent of the people in the civil service shouldn't even be there. They should be let go if someone ever comes up with a way to fire them gracefully. And as for people who are just plain dissatisfied with their jobs, the proportion is much higher than 10 per cent.

He was forced to say reluctantly that he does not think the problem can be rectified. A rather sad result. One which I don't believe has to be the case.

The program-oriented approach has led to waste, mismanagement and an attitude of some civil servants that funds are readily available and that they themselves are not personally accountable for ensuring that public funds and assets placed at

their disposal are under strict control at all times, and that funds are expended prudently, economically and with the utmost concern that good value is received for money spent.

In fact in the Auditor-General's Report, Mr. Speaker, Page 12, he goes on with a further damning review of the Government of Ottawa, when he said:

There is a genuine and wide-spread lack of comprehension on the part of senior officials of government as to actually what effective management control of public funds actually consists of.

He continues,

There is a lack of recognition by the same senior officials of the value of a senior departmental financial officer. And they fail to recognize that this type of individual could assist them or what role he could play in assisting them to administer with prudence, probity and economy the public funds for which they are accountable.

Mr. Speaker, the fact, as I have said, was repeated by the Auditor-General of Canada is that in Ottawa the Parliament of this country has in fact lost control of the public purse. It has lost control of the public purse, again the very reason for Parliament in the first place. Because of a philosophy and an attitude which leads to program-oriented government, government which tends to hide its blunders, tries to bury its blunders and government which has absolutely no concept of sound financial control, this lack of any conception of sound financial control is threatening the very nature of Parliament.

On the federal level this has led to many well-documented blunders. As a matter of fact we have a situation in Canada where a program-oriented government has imposed an unemployment scheme which has in fact increased unemployment in the Province of Saskatchewan. The Economic Council of Canada has proven, I believe beyond a doubt, that the new Unemployment Insurance scheme has added 1 to 1 1/2 per cent to the country's unemployed, and it has done this according to the Economic Council of Canada by creating work disincentives.

Other examples of bad programming and bad government, through a lack of competent financial management, we have the type of cost-shared programs which encourage provincial governments to become financially irresponsible and in fact encourages provincial governments to spend all the cost-shared moneys that they can get. I believe we have a situation with the Government opposite where in fact one of their first activities upon taking government in 1971 was to sit down with the public service and make sure that they weren't missing any federal moneys that they could get their hands on and then proceeded to establish such agencies as HRDA, to try and get some of these moneys.

Mr. Speaker, in fact this program-oriented approach has led to an equalization formula which discourages have-not provinces from improving themselves. If have-not provinces such as Saskatchewan, or it has been, improve themselves and become so-called 'have' provinces their funds are cut off. There is absolutely no incentive for them to improve themselves. I think it would be fair to say that the only reason Saskatchewan went from one category to the other was because of a buoyant agricultural economy over which the provincial government had no control, and in fact had no influence.

Why a system would be allowed to exist where provinces are in fact encouraged to be incompetent in managing their financial affairs, where provinces are in fact encouraged to remain so-called 'have not' provinces, is allowed to exist, I think is beyond the comprehension of any sound-thinking individual in this country.

In fact, that type of an approach has led to a situation as we see in the Government opposite; a government that is daily whining and crying to Ottawa; where governments are encouraged by Ottawa itself to spend hundreds of millions of dollars to expropriate and buy existing industries, or to take such high risk foolish ventures as the example of Newfoundland and its Come-By Chance Refinery. I believe that that type of approach has in fact encouraged the government to nationalize the potash industry. Because with the system as it exists, if, as I believe, the potash nationalization will turn out to be a bad deal and an expensive and a costly deal for the people of this province, the province will still be allowed to fall back on the equalization formula and be subsidized by the more aggressive and competent government of Canada.

Program-oriented governments have led to programs as DREE, which could have solved the particular problem that it was established to do by giving tax incentives to the various areas of Canada, but in fact established a massive and slow-moving bureaucracy which constantly puts obstacles in the way of business developing in less developed areas instead of encouraging the establishment of new businesses. A very simple manner which could have accomplished the social goal has also led to some very poor and unsound business investments by DREE. But above all, this type of approach has created unhealthy tensions within Confederation as that attitude of unlimited funds has encouraged province after province to continually grab for more money without any concern for provincial fiscal responsibilities. This attitude, as documented by the Auditor-General pervades many of the provincial governments of this country and I think it would be obvious to state that it has certainly pervaded the Government opposite.

I believe, Mr. Speaker, the very factors which led the Auditor-General of Canada to say that Parliament has lost, or is losing effective control of the public purse applies in the Province of Saskatchewan. Continually, the Provincial Auditor has been starved for funds by the Government opposite. It has been downgraded, it has serious staffing problems, a major shortage of staff. the reason, as given in the Public Accounts Committee of last year, Spring of 1976, set out and documented by the Provincial Auditor, is the fact that they are not allowed to have competitive salaries, that in fact the Provincial Auditor's office is so downgraded by the Government opposite that it is losing people to other branches of government. Again this is documented by the Provincial Auditor's Report. That the situation has so deteriorated for the Provincial Auditor, that the Public Service Commission, again documented, has held up appointments to the staff of the Provincial Auditor. I think, Mr. Speaker, that that is one factor which will show in the Province of Saskatchewan that we, in this Legislature, no longer have an effective review and the right to control the public purse. Again, a situation contrary to the very fundamental foundation of Parliament.

**Mr. Romanow:** — . . . Committee of Finance.

**Mr. Lane:** — I will come to that Mr. Attorney General.

As a matter of fact it may once have been a fantastic review body but perhaps the Attorney General didn't run into the obstruction and lack of information and the failure to get reports that the particular Opposition has run into in these days.

Mr. Speaker, the situation is so bad in the Provincial Auditor's Department that he did not get one application, one applicant for a position in that department from the three prairie provinces in the 1975 fiscal year. But more fundamentally wrong is the fact that in 1974-75, 27 reports were not issued by the Provincial Auditor. In other words, he didn't have the staff or the capability to look at and supply this Assembly with the necessary financial information required by this Assembly to do a fair and reasonable review of the public spending. Such branches and such government departments as the Executive Council, the Department of Social Services, the Potash Corporation of Saskatchewan, Continuing Education and the Department of Education, the Department of Mineral Resources, Department of Municipal Affairs, the Department of Health, such programs as the hearing aid plan, the prescription drug program, Saskatchewan Development Fund Corporation, were not even touched by the Provincial Auditor. Surely the Attorney General is not going to try and tell the people of this province that these are inconsequential departments that were missed. The fact is that they are major departments of the Government opposite as they have said publicly many times, and yet we in the Opposition are not able to review them and we are not able to review their expenditures because the Provincial Auditor has been starved of funds.

Mr. Speaker, we have the other area, the Crown Corporations Committee. I think it is public record that the Crown Corporations Committee has been faced continually over the last three or four years with evasion, confrontation and refusals to give information. At least in Ottawa, I say at least, Crown Corporations can be brought before the Public Accounts Committee. They certainly can't be brought before the Public Accounts Committee of the Province of Saskatchewan. Last year the Opposition was unable to find out anything about the Potash Corporation of Saskatchewan, a monumental expenditure of public funds, and yet again, evasion and confrontation and a buying of facts and information was the order of the day.

Saskatchewan Forest Products makes a major expenditure on a wasteful head office in the city of Prince Albert, and yet no information can be given because the Opposition was in fact stonewalled by the Government opposite. The same thing on the Land Bank expenditures. Sask Tel and Sask Power on their rate increases, which were said to be beyond the anti-inflation board guidelines, again could not be touched by the Opposition. But above all, and I regret that the previous speaker did not touch on this, above all SEDCO with its ongoing list of failures, bad management and bad investment, was not even mentioned in his remarks as he attempted to defend that particular corporation.

It's well documented again that the Opposition in this Assembly hasn't been able to find out very much other than its address about the Intercon and the bad investment, and the mismanagement of the Government opposite. This Opposition was confronted by a Minister who refused to give information



legitimate to this House for such failures as the Meadow Lake Plywood Mill. Fleury Mobile Homes, is another one that went down the chute that's in SEDCO. Fibro Industries has now gone down and I venture to guess that we in the Opposition will not be able to find out anything about SEDCO's participation in that particular industry. Practically weekly SEDCO failures come to light and yet this corporation, for all practical purposes, is beyond the review of this Legislature.

I think too, Mr. Speaker, that one of the factors set out by the Auditor-General applies and that is the attitude that unlimited funds are available without management accountability, applies in this province. I'm just going to give some examples; the Hog Marketing Commission, subject to review by the Provincial Auditor I believe in 1974, a mess, a management mess, an attempted cover up by the Government opposite and, in fact, an indication of the fact that management accountability doesn't apply.

We take a look at the Department of Northern Saskatchewan, which makes its annual appearance before the Provincial Auditor because it is in such a mess that yearly, matters are brought to the attention of the Provincial Auditor. In fact, that department is so poorly run and so badly run that the Provincial Auditor could keep his staff up there permanently and not even bother looking at other departments, trying to correct and mess that's developed.

I'm not sure that the public needs to be reminded of the mismanagement of the Department of Social Services. Again a situation which is being continually brought to the attention by the Provincial Auditor, except I notice last year, when the Provincial Auditor for some reason, and I say a shortage of staff, was unable to get to that department. That department is so poorly run that frauds occur because of poor internal audit and that's been documented. In fact, there was even no system to verify the applicants' circumstances or assets. There is no such fundamentally obvious management controls as random rotation of caseloads. It was possible because of bad management for that department, for a client to receive assistance for his lifetime without review.

All of these facts that I have given were found by the Public Accounts Committee and if the Hon. Members are interested in reading that report, they are pages 123 to 131.

In fact, the Public Accounts Committee was able to find out that the Family Income Plan was so badly run that there were several thousand overpayments, a matter which subsequently became public in November of this year. I note from the Leader-Post, November 5, that those overpayments in the Family Income Plan ran to some 3,000 to 4,000 and some of them as large as \$2,000 each.

This particular program was implemented under an attitude of program oriented individuals in such a way that when that program was set up, there wasn't even a provision for an internal audit system or an audit system of any kind and again, Public Accounts Committee found out that particular item, again for the Members, it's at page 123 of that report.

It was so bad that the Provincial Comptroller who is not a servant of this Assembly directly, as is the Provincial Auditor, had to make over 23 separate recommendations for internal control improvement. The situation at DNS again where fraud by a social

worker became so easy. Again, admitted in the Public Accounts Committee. The same thing applied in the Department of Social Services.

I might add that for the information of the Members of this Assembly, the Committee itself because of time was only able to review five departments. I believe that that Public Accounts Committee to be effective in doing the job it is set out to do should become a permanent intersessional committee to review government financial management.

Again it was discovered that the Department of Government Services was so poorly run by the previous Deputy Minister and I might add, also the previous Rentalsman, that it was subject to much discussion by the Committee and I believe I have some seven or eight provincial audit reports, all indicating that there were poor internal financial controls.

We were unable to find out in the Public Accounts Committee the cost of the Dental Program, for example. We had to bring in officials from the Department of Education, Department of Health and I don't know what, to try and get some indication of the cost. The only thing we did find out was that the cost of the Dental Program may have been approximately five times the cost as set out in the first annual report of that particular program and a cost given publicly by the Government opposite.

The Department of Northern Saskatchewan had a situation where, in fact, they had a provision in their economic development program for 100 per cent write-off for bad debts, in fact, it was just a total subsidy of setting up companies, not caring really whether they worked or not.

I say that the only difference between Ottawa and Regina, the Government in Ottawa and the Government in Regina and their approaches and their mismanagement is one of degree; it's obvious that both governments are program oriented and not administratively oriented.

I repeat to the Government opposite that their approach and that of the government of Ottawa leads to a loss of effective control of the public purse by Parliament.

I should like to shift, Mr. Speaker, to showing how this program approach can in fact, be a failure and how this program approach can be totally ineffective and in fact, not solve the social program for which it was established.

In 1967 the number of Saskatchewan Assistance Plan recipients was 40,546. That went up as the Minister of Social Services will probably repeat, to a high in 1972 of 63,362 and it's now back in the Department of Social Services to 37,000, but approximately 4,000 in the Department of Northern Saskatchewan. In fact, bringing us right back to the 1967 figures. These are figures which have been constant in this province for approximately the last 15 years.

**Mr. Rolfes:** — That's a bunch of nonsense.

**Mr. Lane:** — Mr. Speaker, nonsense says the Minister of Social Services. Perhaps the facts as given by this particular department, setting out those figures are nonsense to him,

but they are certainly not nonsense to the people of Saskatchewan. And, in fact, at the same time while we were having relatively a constant figure except for an economic downturn, but a fairly constant figure when the economy of this province is in sound condition, we began to spend over that same period of time, figures which commenced in 1967 of approximately \$18 million on Saskatchewan Assistance Plan and in 1974-75 we were now up to \$52,185,000. In fact, Mr. Speaker, this tripling of expenditures has, in fact, not had one single bearing or influence on the number of the hard core welfare recipients in this province. I say to the Hon. Member, and I think the people of this province now well know, that our system of welfare is a failure and it's been a colossal and I say a tragic failure to the 40,000 people of this province who have not been able to break out of the poverty cycle. But, in fact, Mr. Speaker, the Government opposite refuses to look at administrative reforms which have been documented in other states. Reforms which, in fact, do substantially reduce the number of people and which reforms enable people to break the poverty cycle. And which administrative reforms in fact give more money to the truly needy than what's being given by the Government opposite.

In fact, in the State of California . . .

**Mr. Rolfes:** — 17 per cent overpayment in California.

**Mr. Lane:** — It may have been 17 per cent overpayment, but it was over a billion dollar saving to the taxpayers of over some 100,000 people, reduced from public assistance and in fact, a 33 per cent increase to recipients with the first cost of living index given to welfare recipients in any jurisdiction in North America. I think, Mr. Speaker, that that's the type of reform that's admirable, concerned and compassionate and I challenge the Government opposite to refute those figures, set out in a report from the State of California.

I look too, Mr. Speaker, at reforms in the State of New York and I very carefully say the State of New York as opposed to the city of New York which refused to participate in the program. And again the major changes that were made were administrative. They became program oriented but subject to a very sound administration. In 1973, the first year of operation the number of recipients was reduced 155,000, the first year to year decline since 1960 and the largest since World War II. At the end of 1972 the number of persons on public assistance in New York state totalled 1,785,000; at the end of 1973 it was reduced down to 1,630,000.

But the interesting thing for governments that have any concern about fiscal restraint, that the 26 per cent rate of annual rate of cost increase of the preceding seven years was cut 10.3 per cent the first year and up to the time covered in the report — and I'm prepared to show it to the Minister, any time he wants to revamp his position over there — that there was a further 5 per cent in the initial year of the report, the latest report I have is 1973.

The interesting thing, Mr. Speaker, that at the time the State of New York was making the administrative changes, again it increased payments to recipients by 30 per cent. A dramatic increase and a sound increase and a needed increase. That particular State brought in several new programs, which had

not been tried before. One of which is the Ombudsman for welfare administration. It brought in programs like the Hot Line Program to prevent child abuse and try and stop that particular social problem that existed in the State of New York and I could go on and on and on with the new programs that were implemented, notwithstanding that the saving in the first year was, including the medicare program, approximately half a billion dollars.

So it can be done. For the Government opposite to give any indication that sound administration can improve our social programs, I say is one of the fundamental failures that I alluded to at the outset, one of the fundamental failures of social democratic governments.

In the Dominion of Canada we have a similar problem, in the Dominion of Canada we are embarking on what I believe will be a failure in the field of social welfare and that is the so-called Guaranteed Annual Income.

In 1972 the Senate Special Committee on Poverty in Canada issued a report recommending an automatic kind of guaranteed annual income. It was applied on the negative income tax basis. That particular committee sought in this way to provide a working, efficient, administratively economical alternative to the traditional bureaucratic ridden, abuse prone, hand-out oriented welfare system, and to offer real incentives for people to raise themselves above the poverty line by their own efforts, while protecting them if they made an honest try and failed. I submit to the Government opposite that that should be the goal of any welfare system. But what happened? We've already got the initial results of the trial program in Manitoba, but so far and I quote from the Leader-Post of Friday, November 12:

The experiment in Manitoba is a washout and that, in fact, the so-called Income Program or Guaranteed Annual Income in Manitoba, involves even more bureaucratic red tape than the traditional welfare system.

In other words I believe that we have in the field of welfare a total failure to get the money to those who truly need it. surely that should be the object and the goal of a social assistance program, not the establishment and the creation of more and more bureaucracies which in fact are bleeding money from the poor and lower income levels.

Every new program takes money from the truly needy. What happens when we have a situation where a certain recommendation was made by the Croll Committee on how to break that attitude and really make a deliberate and conscientious effort to get the money to the truly needy? What happened in Canada of course was that a new Guaranteed Annual Income Program was devised by the Federal Government, which was added to existing programs and increasing the bureaucracy that comes between the public funds and the truly needy.

It didn't mean under the federal program an elimination of existing programs which have proven to be ineffective, but it meant a new program meaning more employees, more cost and taking more of the total budget from the poor and the lower income groups.

It didn't mean under the federal program an elimination of existing programs which have proven to be ineffective, but it meant a new program meaning more employees, more cost and taking more of the total budget from the poor and the lower income groups.

We have a situation developing where more and more people are being hired, more and more money spent and the poor remaining poorer and the rich remaining rich.

All that is happening under our present welfare system is that every year the poverty level increases but the number of social assistance recipients in fact are remaining constant in relative terms.

Mr. Speaker, it is unfortunate that the Government opposite when it talks about leadership in social programs wouldn't listen to the Croll Committee and show some leadership in the Province of Saskatchewan, but what it does is it endorses the federal program. It only has one complaint and that is, not enough money is being spent. Mr. Speaker, I believe that the same attitude and the same approach which pervades Ottawa and its administration applies to the Government opposite. the same belief that big government and not good government is the answer. The same belief has proved ineffective that by the mere spending of more and more money will solve our social problems. And a similar belief that more and more programs are the answer to solving social needs.

I believe that that is a philosophy that fails to reflect the concerns of the people of Saskatchewan and I say a philosophy that has led to waste, mismanagement, false hopes and very little relative changes in the economic positions of our citizens.

Mr. Speaker, I should like to touch on one final topic. That is what I believe to be the failure in the administration of justice by the Attorney General of this province. We have noted, I believe, Mr. Speaker, a significant number of failures by the Attorney General in the last while. I can refer to the most recent, potash companies winning the first tax fight round. A headline in the Leader-Post of October 5. Of course, saying that the Province of Saskatchewan may have to pay back the taxes recovered from the potash companies should the province fail. I think, too, Mr. Speaker, that the attitude of the Attorney General and his department's approach was indicated and I think severely reprimanded by the Supreme Court of Canada if reports of the argument are correct, when the Chief Justice of Canada severely criticized the Government opposite. In fact, it cast very, very strong arguments against the Government position, repudiating some of the irrelevant arguments which seemed basic to the Government of Saskatchewan's case on the particular matter. In fact that case seems to have been so weak if the press reports are right, that the Government may well have a very serious court loss on its hands in that case.

But the Attorney General has made a very salient statement about this. He refers to these losses by potash companies and mining companies and oil companies as another attack and I am going to quote the headline, "Romanow Comments, Potash Lawsuit Another Attack."

It is just a lawsuit that is called another attack on taxation policies of a legitimately elected government, Mr. Romanow said.

I quote again, the Leader-Post, Friday May 14:

The Government and a lot of Saskatchewan people feel extreme frustration at another major lawsuit challenging government policy.

In other words why are the potash companies wanting to attack the Government, to take the Government to court, he is

frustrated and the Government is frustrated. But at the same time the Attorney General can go to court on what I believe to be a frivolous and vexatious action and that is attempting to get the statement of claim thrown out. An absolutely ridiculous approach and I think the Attorney General knows it and that was a simple stalling action. The Attorney General knows it and in fact the courts very politely indicated to the Attorney General and his solicitors that that particular action was ridiculous, unsound and unnecessary. I don't know how the Attorney General can talk about frustration that other people are using the courts and properly using the courts and the Attorney General takes an action, a stalling action to try and hold up this, tying up the courts. He's frustrated. Let's make no mistake that the recent editorial in the paper indicates that the people of this province are frustrated, that in fact, the people of this province are fed up with the type of attitude that has developed, where there is constant confrontation and constant litigation between the Government opposite and the resource companies of this province.

We in this caucus say, that it is time for negotiation and not confrontation. And it is something that should have happened quite some time ago. The Leader of the Conservative caucus has already indicated that the companies are prepared to sit down and talk. And are quite prepared to sit down and negotiate fair revenue to the people of this province. I think it has been proven that the Conservative Government in Alberta in relative terms by negotiation can avoid all these problems and get more monies for the people of their province than this constant confrontation and litigation as set out by the Government opposite.

But I think what is really reprehensible, Mr. Speaker, is the fact that the Premier and the Attorney General of this province have said that should the Supreme Court of this country overrule the Government and order them to pay taxes that they will disobey the law of this province and to repeat the words of the Member for Saskatoon Centre (Mr. Romanow), "no government is above the law" and that applies to this government and it applies to this Premier and it applies to this Attorney General.

Mr. Speaker, that type of attitude indicates a strong and severe disrespect for the law which doesn't become any government and certainly doesn't become the so-called social democratic government.

The Assembly recessed from 5:30 o'clock p.m. until 7:00 o'clock.

**Mr. Lane:** — Mr. Speaker, as I continue to prove that decorum can be made easy, I should like to revert back to my final comments. I was a little disappointed to hear over the supper hour that I've succeeded in waking the Minister of Social Services and he is now going to join the debate tonight. I look forward to hearing what he has to say. I hope that the Hon. Minister doesn't get into the debate without having read the most recent statistical bulletin of his department because it would be a little embarrassing for him if he did.

I want to wind up my remarks, Mr. Speaker, by referring to some of the positions taken by the Attorney General and his department. I have referred to one particular case which I thought was a little strange when the Attorney General talks about how frustrated he is, that the potash companies and the

oil companies . . . I wonder if the rules of decorum can't apply to the former fired Minister of Agriculture as well as myself, Mr. Speaker . . . I referred to the strange situation which existed when the Attorney General was very critical of people exercising their legal right and the Attorney General expressing frustration, that somebody would dare go to court. Then we have the strange situation with the Attorney General then having a court application to throw out a statement of claim, raising very serious constitutional issues, which I indicated, I thought a very frivolous and vexatious action.

Mr. Speaker, it is indicative of the fact that so much litigation has gone on by the Government opposite with the resource companies that it has now obviously come to the public's attention. I should like to refer to a couple of paragraphs in a Leader-Post editorial of Wednesday October 20, under the heading, "Tax Retention Decision Shows Biter can be Bitten." I think that particular paper agrees with our arguments, Mr. Speaker, that some of the positions of the Government opposite have legally been very shaky. I will quote from that particular article which says:

But still what the Supreme Court of Canada has told the Saskatchewan Government in effect is that the legal advice it received prior to proclamation of periphery legislation regarding unchallengeable retention by the Government of reserve tax payments was all wet. The Blakeney Government had the reputation of being very careful and cautious before initiating a controversial legislative thrust. The government employees, a battery of policy planning experts are supposed to help avoid egg on the face reverses of this kind. In the potash reserves tax revenue retention legislation, in advance of a clear decision on the constitutionality or otherwise of this form of taxation, the Provincial Government surely made a mistake.

The fact, Mr. Speaker, that the Provincial Government has made a very serious error as I say and that has come to the public's attention.

I think, Mr. Speaker, when we add to the position of the Attorney General on the resource cases, we see the very shaky position of two different opinions coming about from the Treasury Benches, one saying that they are considering going after Moose Jaw, another one doesn't know whether they are going to take the city of Moose Jaw to task and to court for its position on cable television. The Premier really hit the nail on the head, Mr. Speaker, when he said the cable television issue is really a power play. I find that a surprising admission by the Premier. I happen to agree in this case that he really is saying it is a power play. It is interesting that the Premier of this province would put the squeeze play on the people of this province. In other words what he is saying is, he doesn't care whether his position is legally correct or not, he doesn't care what the legal rights are, he doesn't care what the constitutional position of the province is, he says it is a power play. His position is that he is going to get control of cable television in this province whether the people get to watch cable television or not.

I think it is a little surprising that the attitude of this government opposite is such that they are prepared to hold the

people of this province up to ransom, even if the Government have no legal leg to stand on.

We still get the position of the Attorney General while the crime rate in this province is rising dramatically, that he is bickering and arguing with Ottawa over a cost-shared program on police services. In fact, what should be happening is that this province should be increasing its contribution in light of the abnormally high crime rate in this province. Instead we have the Attorney General getting into a fight trying to hold back, and cut back on every cent that he can.

Mr. Speaker, the attitude of the . . . I might add that the Leader of the Conservative Party is quite happy to be speaking to 500 people in the city of Saskatoon tonight, at the Conservative nominating convention in Saskatoon Sutherland. Mr. Speaker, 500 people, being about five times the crowd at most NDP meetings lately. We might advise a further principle of law which will govern the threats of the Premier of this province that they are going to again go beyond the Supreme Court or disobey the Supreme Court, that basically a government cannot make legal that which has been ruled illegal. That will again in future situations make any action that they take to overrule the Supreme Court or disagree with the Supreme Court, very shaky again to say the least.

Again, we have urged this government to sit down and negotiate with the resource companies. The fact of this constant and protracted litigation is costing the people of this province large sums of money. In fact, it is putting this province in a very risky position as vast sums of money hinge on the decision of the courts and not — and we don't have the security as a province of sound and fair negotiation. I think it can be done and I think it is a very risky position that the Attorney General has put us in.

Mr. Speaker, I have indicated in my remarks that I can see very little difference in philosophy and attitude between the Government in this province and the one in Ottawa. I do see and I think there has been substantial evidence to show a complete lack of ability to manage government. I see a sharing of the minds philosophically between the present government of this province and the one in Ottawa on the matter of public spending and an unhealthy reliance on programs alone to solve social problems. I see a refusal and an inability in the Government of Saskatchewan and Ottawa to allow Parliament and this Legislature to operate effectively.

This is an attitude and a philosophy which I cannot support and I say that it is an attitude and philosophy which is becoming ineffective and obsolete.

Mr. Speaker, you have gathered from my remarks I cannot support the motion.

**Hon. E.B. Shillington** (Minister of Government Services): — Mr. Speaker, I want to begin by saying I am pleased to rise in support of the Throne Speech. It may not have struck the Member for Prince Albert-Duck Lake (Mr. Steuart): as being light entertaining reading, but it wasn't written with a view to entertaining the Leader of the Opposition, it was written with a view to providing a comprehensive description of this



government's legislative program. I am pleased to support that.

I want to say, before going on any further that I bid the Hon. Member for Prince Albert-Duck Lake a fond farewell. A good deal has been said about him. And they have described quite accurately, a peppery speaking style, a warmth and a humor in private. Unfortunately that speaking style and the warmth and the humor all seems to be filtered out by the electronic media. It just isn't transmitted. I think of something that was said of Gerald Ford by Time Magazine, "If the people did not choose him to be president he still make a valuable contribution to the United States." I think the same of Davey Stuart, if the people did not choose him to be Premier, he has still made a very real contribution to this province, both in Opposition and in Government. We shall miss him.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — It is assumed of course, Mr. Speaker, that he will not be long in this House, he will be sitting in a large red Chamber in Ottawa.

Undoubtedly there was something said yesterday about the green and white, our football team. I want to add my congratulations. I think of the plaque that hangs in my parents' home and says, "It matters not whether you won or lost, it is how you play the game." The manner in which the Roughriders played the game in Toronto brought credit to them and to this province and I am proud of them.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — A good deal has been said in the Legislature, Mr. Speaker, about the Hon. Member for Qu'Appelle (Mr. Lane), although not very much has been heard from him until today . . .

**Mr. Allen:** — Say some nice things about him.

**Mr. Shillington:** — Okay, I will, I'll start off in a nice way.

I was interested in the comments he made about the Provincial Auditor's office and the control that this government has. As usual it was a typical example, Mr. Speaker, — I was going to say the Liberals, but I suppose one might add the Tories — the Liberals and Tories are building to play loose with the facts. The truth of the matter is that this government has a Canada-wide reputation for good administration. It is a reputation we have earned.

I share some of the Hon. Members concerns about some of the controls in Ottawa; Ottawa isn't the only government that one might look to as a government in need of some controls, one might look at a little closer at Edmonton. I was interested during the speech given last year by the Member for Qu'Appelle I took the opportunity to get from the Library the per capita expenditures by the various provincial governments. I can't give you them all on a list but I do remember that the second lowest per capita expenditure was by the Government of Saskatchewan. In spite of the fact that we have provided

leadership in a variety of areas in health programs, economic matters and resources, we have managed to get by with the second lowest per capita expenditure in Canada.

I am sure that the Hon. Member for Qu'Appelle with his new-found political faith is very impressed by the fact that Alberta has the second highest per capita expenditure. Only Newfoundland has a higher per capita expenditure.

**Mr. Cowley:** — . . . Generally accepted accounting principles!

**Mr. Shillington:** — Generally accepted accounting principles are no doubt what's doing it.

I recall my experience with the Department of Co-ops in Alberta. We have here by far and wide the largest co-op movement outside Quebec. We have 1,200 co-operatives. Last year there were 93 new ones incorporated, this year there will be about 120 new ones incorporated. I don't know what the comparable figures for Alberta are, but I know that they are much lower . . .

**Mr. Lane:** — . . . the co-ops!

**Mr. Shillington:** — Yes, they are opposed to co-ops but they don't seem to be opposed to large bureaucracies. The Province of Alberta has a much larger staff in their co-operative area than we do. Indeed in some areas their staff complement is twice what ours is.

Getting back to the Provincial auditor, the Hon. Member for Qu'Appelle will no doubt recall how generous they were with the Provincial Auditor — I say "they" because he was associated with a government of a different stripe a few years ago. He may recall how generous they were with the Provincial Auditor, indeed they were downright niggardly with the Provincial Auditor. When we took over in 1971 we had to increase by a considerable amount the staff complement in that office.

The Hon. Member may recall the report of the Public Accounts Committee, last year, which complimented the Government on providing the resources it did to the Provincial Auditor's office. The Hon. Member may be interested to remember that the staff complement of that office has increased by almost 30 per cent since 1971. Their budget has increased by over 100 per cent. I am sure that these were the facts which were impressing the Hon. Member last year, the facts that he seems to have conveniently forgotten this year in his tirade against big government, Mr. Speaker.

One can, Mr. Speaker, understand the Hon. Member leaping from a sinking ship, as was said by the Hon. Member for Prince Albert-Duck Lake; the wonder of it is that he would swim to a ship that seems to be sinking faster than the one he left. There are two schools of thought on that, one is that he has made an irreversible decision before he was aware of the Conservative Leader's personal problems. The other school of thought is that he was aware of those problems and he saw in those problems an opportunity for himself. What I think is clear from the Member's activities is that he didn't leave on any quest of principle. His reasons for leaving namely that he was

dissatisfied with the Federal Liberals, are as transparent as a window pane. What I think is clear is that he left out of opportunism. He left in a manner which I think brought little credit to himself and by highlighting as it did the leadership problems of the party he joined, he brought little credit to the party he joined.

The other thing that impressed me about the move is how it highlights the disdain which the Member for Qu'Appelle has for his own caucus. I happen to be one of those people who ran in a very difficult seat. I think it is fair to say of all of the Conservative candidates, when they ran, they ran in very difficult areas. Indeed the person whom the Hon. Member displaced from the front bench ran in Cannington, a seat that has been Liberal since 1905. I am sure when the Member for Cannington ran, he ran not because he expected to win but as a matter of principle, to give the party he believed in a candidate. It must be galling that he has been shunted aside to the back rows to make way for a person who sacrificed all of this principles to minimize his risk.

But as I said, the wonder of it all is that the Hon. Member swam towards a ship that looks even leakier. If he wanted a sound ship he might well have looked towards the New Democratic Party.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — Well, Hon. Members remind me that there are some problems in that. I suppose one of the problems in joining the NDP would be that we don't have a leader who has personal problems who is being sued by former law partners . . .

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — Our leader is renowned for his competence, he is trusted for his integrity and known throughout this country as probably the best provincial premier. No doubt the Hon. Member was not anxious to restrict the scope of his ambitions by coming here.

I want to discuss rather briefly what I think may well be one of the foremost issues in this Session, each session seems to have its own issue. My first session was potash, the next one was probably liquor, the raising of the drinking age; this Session has yet to have an issue to jell, but it might well be an issue that is familiar to people in Saskatchewan, and that is the struggle by Saskatchewan people to get the benefit of their own resources.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — It seems, Mr. Speaker, like a very simple matter to me. The people of Saskatchewan own the resources, surely they ought to benefit from them. But what seems like a simple matter has been a constant struggle by the people of this province to assault the citadels of free enterprise, the resource companies. It has been a difficult struggle not because there is a great deal of merit, I think in their position but it has been a difficult struggle because of the allies that they have. The foremost among those allies are the old line parties, who are so perceptive when it comes to seeing injustice being done to the

resource companies, and seeing that retroactive legislation might be in some manner a violation of civil liberties. They are utterly blind, Mr. Speaker, when it comes to perceiving that the people of Saskatchewan stand to be robbed of a good deal of resource revenue through our taxation statutes being overruled.

I wonder, Mr. Speaker, what would be the position that the old line parties would take if the shoe were on the other foot. Let us suppose a resource company were, through error of law because they misunderstood the statute, to pay too much in taxes and then to discover it. I think there are legal authorities for saying that by law the company could recover such money. Would then the position of the Opposition be that we should keep that extra tax money? Because that's really basically what happened here. If they are turfed out, it will be because of a mistake in drafting them. Somehow the old line parties suggest that the oil companies and the potash companies should be able to take advantage of those mistakes and enjoy windfall profits.

We don't know what is going to happen in the oil case. I was interested, and I have access to the same information everyone else does, I read the Leader-Post article about the Cigol case. I was struck by the fact that the Chief Justice in particular seemed to have read the material and to have formed some tentative conclusions about Saskatchewan's case.

Mr. Speaker, there is another issue I want to mention and I'll have to do so briefly. I want to thank the Member for Qu'Appelle for going right through his own time, through the time allotted to me and on to someone else's, I'll have to be brief. I do want to say something about cable television. We view cable television, Mr. Speaker, as being a resource. It is a resource which can be exploited for the benefit of a very few, some of whom are not residents of the province, or it can be harnessed for the benefit of the people of Saskatchewan. It has been our position that it should be harnessed for the benefit of the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — We have said two things about cable television, Mr. Speaker. Firstly Sask Tel must own the hardware; secondly, the service should be brought by non-profit community organizations.

Let me deal first of all with the question of Sask Tel's ownership of the hardware. It may come as a surprise to some Members on this side of the House to recall that there was a day when Liberals seemed to have a grasp of what the needs of this province were and what our interests were. It may be of interest to the Hon. Member for Qu'Appelle and the Hon. Member for Wascana (Mr. Merchant): and the others who have criticized the ownership by Sask Tel — and the Hon. Member for Thunder Creek (Mr. Thatcher): that this was not a policy which we initially formulated. That policy was first formulated by one Gordon Grant, when he was Minister in charge of Sask Tel. The policy, Mr. Speaker, remained simply because it is one of those abiding truths that survived from one government to another. It just makes such good sense for Sask Tel to own the hardware, that parties of all political stripes when in power have

supported it.

Mr. Speaker, you can go back even farther. You can go back to the beginnings of this province. Last year when I was Communications Minister, on the advice of my staff I had occasion to read a speech given by Walter Scott when he set up Sask Tel. Sask Tel was set up in 1908, again by a Liberal Government, and when Liberals were small "I" Liberals. He said when he set it up, he was doing so because the private utilities, Bell Canada in particular, were going to provide the service in the cities, but the rural areas, smaller communities were not going to get telephones so long as the service was in the hands of the private industry. So he set up Sask Tel.

It just so happens, Mr. Speaker, that my father moved at the age of ten from Smiths Falls, Ontario to Caron, Saskatchewan, in 1908. That just happens to be the same year. They got telephone service a decade sooner in rural Saskatchewan than they would have had it in rural Ontario. That is simply because there was no money to be made in bringing telephone service to Smiths Falls, Ontario until long after Sask Tel had brought telephone service to rural Saskatchewan. Mr. Speaker, there are still parts of Ontario and the Maritimes which don't have telephone service, large areas, because it doesn't pay.

A government of a different political stripe, the CCF, did much the same thing with Sask Tel, and that's what we think we should do with telecommunications, with cable television. It is the Saskatchewan way of doing things. Saskatchewan has the highest percentage of people in Canada who live outside of a city. We are the most rural province in Canada. It makes eminent good sense in this province to do something different than you do in Ontario, or for that matter, Alberta.

Mr. Speaker, we might just wonder why the cable companies want to own the hardware. They say they want to own it so they can fulfil their responsibilities under their licence. The truth of the matter is, that that hardware is a very valuable piece of equipment. It might be likened, Mr. Speaker, to a boxcar or a railway; railways can carry any goods, they simply provide the means by which the goods travel. That's basically what coaxial cable is, simply a railway for communications. It can carry cable television and that will undoubtedly be the first thing it carries, but it can also be used to carry telephone services, security services, a wide variety of services. But it is little wonder that the cable companies want to own that cable in the cities.

The second thing we have said about cable television is that the service must be brought by non-profit community groups. Mr. Speaker, this policy came about as a result of a frustration when you analyze the broadcast industry. In a recent edition of the Financial Post, they analyzed the profit figures of the various industries. The broadcast industry, Mr. Speaker, had the highest return on investment of any industry in Canada. It was almost 40 per cent return on investment per year. That high profit is all the more galling because it wasn't obtained because the broadcast industry introduced new techniques or was more competitive than someone else, they were able to enjoy those very high profits, because in many cases they enjoy a virtual monopoly in the service. That's why they are making the profits they are. One of the criticisms which I have levelled at the CRTC and which other people have made, is

the CRTC has protected the profits of the broadcasting industry but has never made them live up to their social responsibilities.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — Lord Thompson of Fleet said that the television was a licence to print money. If that's what television is, I think the English language is probably inadequate to describe it. It is well known that the cable industry is the most lucrative segment of the broadcast industry. In spite of those profits, Mr. Speaker, they spent only 3 per cent of their revenue on community programming. We have said, Mr. Speaker, that the service should be brought by a non-profit community group whose responsibility will not be to their shareholders, but to the community which they serve. We believe that the co-ops which form the non-profit community groups taken in this province, will do something meaningful in the area of community programming.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — Mr. Speaker, there was a good deal more I wanted to say but I will, have to conclude by discussing very briefly what has been called the Manitoba Agreement, if I might.

About two or three weeks ago the Government of Manitoba and the Government of Canada signed an agreement. We said at the time that we weren't going to sign that agreement, we certainly weren't going to sign it because the commitments of the Federal Government were very vaguely worded. They were worded so vaguely that it would be extremely difficult to enforce it. Our experience in dealing with the present Federal Government has been that if it is not written in stone and you don't find that stone on the side of Mount Sinai they are not going to live up to their commitments.

We also said, Mr. Speaker, that the CRTC should have been a signatory to the agreement, signed by Mme. Sauvé as Minister in charge of the Department of Communications. We said that the agreement should have been signed by the CRTC, but we didn't think the CRTC would prove us right so quickly. Shortly after it was signed, Harry Boyle the chairman of the CRTC said he was going to check and if the agreement wasn't binding on him he wasn't going to comply with it.

We also said more fundamentally that we wanted a role to play in the development of communications in the province. We do so because we think that a very poor job has been done developing cable television. It has been developed in a manner which makes it very awkward to bring it to smaller communities. We also said at that time that you may want to look to another area of broadcasting the CBC. CBC has set two records in Saskatchewan. One record is that they have the lowest per capita expenditure in Canada in Saskatchewan. The other record Saskatchewan holds, which isn't the envy of anyone, is that there is a higher percentage of people in Saskatchewan with no television than anywhere else in Canada. CBC's function in the Broadcast Act is to bring service to the outlying communities and in Saskatchewan they have done a poor job of it. The Hon. Member for Meadow Lake (Mr. McNeill): will know what I am talking about. His constituency is one which is not very well serviced.

So we said that we wanted a role to play in the development of closed circuit television. We thought this was a service that could be brought to all parts of Saskatchewan. We admit a role for the Federal Government, certainly they have a role to play in the protection of the broadcasting industry but within the broad guidelines that they may establish it is up to the provinces to develop that system in a manner which meets the needs of this province.

Mr. Speaker, from what I have said it must be obvious that I am voting in favor of the motion.

**Some Hon. Members:** Hear, hear!

**Mr. W.C. Thatcher** (Thunder Creek): — Mr. Speaker, it is a pleasure to enter this debate on the Throne Speech of about a week ago. I can assure the House that I will be brief, not particularly out of respect for anybody on that side of the House but because I must drive my wife to the airport before too much time passes.

It has been amusing the last couple of days to look across at the people on that side of the House with their leers and, I don't know exactly what you would call it, I suppose it's a rate peering out of a ship that hasn't started to sink yet, but they know full well it is going to sink. It is going to sink in exactly 31 months, and he's got 31 months to think about it. You've had it, you are finished and you've got 31 months to think about and its down to the bottom of the ocean for all of you.

And particularly some of you in the Cabinet, really think about it, because those salaries you are collecting when you are going to have to go out and earn a living on your own and when you drop down to about one-third of that, unless of course there is another NDP government that might hire you as a hack in their particular province.

**Mr. Mostoway:** — How is the silver spoon industry?

**Mr. Thatcher:** — Well, I see Mr. Originality made it back into the Legislature and where there is clear clairvoyance . . .

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — Mr. Speaker, I truly regret that the Member for Souris-Cannington (Mr. Berntson): is unable to be here because of what I understand is illness because although we have had a tradition in this Throne Speech to congratulate the two new entrants to, well if it is not the largest Cabinet it must be very close to it. Anyway we have been congratulating the new Cabinet Ministers on their appointments and I certainly feel obliged that someone should have welcomed the Member for Souris-Cannington to the back benches.

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — I had planned to take a moment or two to do such but since he is not here it would be wasted.

Mr. Speaker, it was a pleasure to listen to my former colleague this afternoon. I didn't hear his entire speech because I was in and out considerably. I think probably the thing that struck me the most about that speech was, what I heard of it, I didn't disagree with very much of it, because as you know I am not that enthralled with the Federal Government in Ottawa and never have been. But I think the thing that did make me think about my former colleague was the difference, the difference as I seemed to know him when he was on these benches, and for whatever reasons known to himself, close to leave. And as I watched what I felt was a totally different individual addressing this Assembly tonight I could only think, what price the soul.

Mr. Speaker, there is no question that we have very severe problems in this country, many of them caused down in Ottawa and many of them caused right here. No question that this country's position in international trading circles is becoming desperate. We are watching the almost total collapse of our dollar and I'm afraid, well if you call going down to about 90 cents total collapse which they are predicting it will go to, I think we do have reason to be concerned. And we have reason to be concerned because it is reflecting what is going on in this country today. It is reflecting that we don't produce enough, that we don't work hard enough and that we are becoming too top heavy in bureaucracy. That we are paying too many people too much money, that we are not doing any productive work and just shuffling paper and at some point in time somewhere along the line the bill must come due and I sincerely hope that it is not coming due but I am very fearful that it may be. I will leave that for much more learned economists than myself to make that rationalization.

Today we notice that the Federal Government found it necessary to re-impose tariffs to protect the textile industry in Canada, another example where Canadians are now going to pay the premium for, 'made in Canada'. Mind you that is part of the price of Confederation. As I recall this protectionist tariff that is the cornerstone on which eastern Tory policy rests. And I was very sorry to see a Liberal Government re-impose those tariffs, because frankly I feel that eastern Canadian industry if they need this kind of protection, don't have the right to make the rest of Canadians pay for it.

Virtually everything we have in western Canada must go out at a world price and there is the old story where western Canadians pay the price for many of the inefficiencies in eastern Canada. But nonetheless it is a very familiar story in Canada today where we see the example that labor has priced itself out of the market. In combination, management in itself has not maintained all the efficiencies that they should and again, it is an example of the bill coming due. You can pay people so much but when they stop doing an hour's work for an hour's pay, somewhere down the line the bill will come due.

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — Mr. Speaker, I intend to make a comment or two on an issue that I believe is the most over-riding issue for western Canada as a whole, a problem that we have to solve, a problem that has been going on for far too long, and that is the issue of grain-handling and transportation. This is a very difficult issue to deal with because of the emotionalism, the lack of



rationalization and the problem that is created by the divergent groups involved. Their inability to sit in the same room and talk cold bloodedly about what are the stark realities facing western Canada. One of the stark realities is that in the past two years Canada's share of the international wheat trade has declined from 26 per cent down to 14 per cent. And for those of you who would challenge that statement let me refer you to the Canada Grain Council Industry Statistical Handbook, 1976. I invite you to look at it because there are some very unpleasant facts in there. There they are and if you can find anything good out of them, I'll loan you the book, but the facts are there. It is not a particular pleasant fact, however, we will go into that a little bit later.

**An Hon. Member:** — What about . . .

**Mr. Thatcher:** — Are you concerned about the Saskatchewan operation or the Alberta one?

Surrounding this great debate as to our western grain-handling and transportation system, at the centre of it all is our elevator system. The primary grain elevator system has never been very far from the centre of attention and it always remained a very fundamental issue, much discussed, probed, analyzed, investigated. Unfortunately, not very many people have been persuaded because the controversy has always remained lively and agreement is probably as far apart as a decade ago.

The cost of receiving off-farm grain and loading it into rail cars has risen very sharply since 1967. Labor costs have roughly doubled; construction costs for new facilities have more than doubled; repair, maintenance and energy costs are all up. Interest expenses have reached record highs. The only important cost element that applies to the primary grain-handling system as a whole that has not increased is the capital cost of the company grain elevators built before the 1960s. Many of these elevators are 60 or more years old, long since written off for both investment and tax purposes. This is what has allowed the old system of numerous, small, wooden country elevators to continue to exist. They may be inefficient and obsolete but they are paid for. It wasn't until five years ago that really serious thought began to be given to the true alternatives to the traditionally western country elevators. To be sure most of the elevators built since about 1965 have been larger, better equipped but they remain in principle only a mere variation of the country elevator that was originally designed for the high-wheel, horse drawn wooden wagons in which 60 bushels was a big load. It wasn't until this fall that the first of a genuine new generation of primary elevators appeared on the prairies, the inland terminals at Rosetown and Weyburn and Elm Creek, Manitoba. It is hard to drive up to one of these new elevators without thinking that if this is not the shape of the future perhaps it should be. These elevators have yet to prove themselves, not from a technical point of view or a practical point of view, but strictly financial. One has to be realistic and coldly logical to realize the economies offered by big capacity and up-to-date design. Growers must unquestionably haul their grain a longer distance. In fact in some cases they may literally have to drive past the old elevators to get to the new. No one knows at this point in time whether they will.

It cannot be said that the new elevators are seen as a welcome arrival by everybody in the grain business. To some

people they stand as a new threat to a way of life which is not ideal and is still considered by some acceptable. There are probably vested interests on the prairies whose fondest wish is to see these new elevators fail. Some people are not content to wait and see but are actively doing what they can to help this failure to happen. The combined opposition is so strong that if the new inland terminals do succeed it will be in the face of very great odds, certainly much greater than what are necessary. The new terminals were built by people who got tired of talking and started to do something concrete, with their own money. The grain industry as a whole has a vital stake in their effort.

Mr. Speaker, I say to this House today that one elevator in actual operation is worth more than all the studies, inquiries, hypothetical projections in the world. I suppose one could ask, why do some people fear these elevators, what is the great bugbear, why do so many of our vested interests fear them? Why has the Minister of Transportation (Mr. MacMurchy): in this House over the last week slandered one grain company, vilified it and challenged about as much as anybody could challenge but refuses to step outside the House and have the courage to repeat what he could be sued for these untruths, and on every occasion he has been too much of a coward to do it? I challenge him again to do it which he won't. Here's a statement if I may quote the Star-Phoenix:

Grain exchange manipulation is short-changing the farmers. That sort of thing by the Cargill Company is now occurring in Manitoba.

MacMurchy tried to strain this as manipulation, every single charge has been falsified. Totally nonsense. Why does this Minister, why does this government fear inland terminals? Mr. Speaker, I don't know whether inland terminals are the answer or not, that is for the future to tell us. You don't know it and I don't know it. But, Mr. Speaker, no Minister of the Crown has the right to stand up in this House under protection of parliamentary immunity and slander any grain company, whether it be Cargill, Pioneer, UGG, or the Saskatchewan Wheat Pool.

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — Because, Mr. Speaker, I should like to say and I should like to demonstrate, that when it comes to grain companies there are no knights in shining armour. Toss them in a bag, pull them out and the results are basically the same. Frankly, our largest grain-handling organization in Saskatchewan, Saskatchewan Wheat Pool, from some statements emanating from this organization with their high priced, overrated former hot-line host, I frankly come to visualize the Saskatchewan Wheat Pool in the same manner I recall General Bull Moose in the old Lil' Abner Cartoon, where General Bull Moose would say, "What's good for the country is good for General Bull Moose." and then he changed it to "What's good for General Bull Moose is good for the country."

Once upon a time I think that the Saskatchewan Wheat Pool's attitude was, 'what's good for the farmer is good for Sask Wheat Pool.' I would like to think that that is still their attitude, but I do wonder at times.

But speaking of grain companies, and if we are going to single out a grain company, let's look at them all. Let's look at UGG, Pioneer, Sask Wheat Pool, the Manitoba Wheat Pool, Alberta Wheat Pool, and let's go back and let's look at the Wheat Pool Report, 1974-75 — Statement of Operations. Of course, the opening item is, Purchased from Producers and Permit Holders; Purchased from Producers at Board Initial Prices, etc., which means a permit holder, and you are given a figure in bushels and a dollar value. Now let's take a look at the next line down. Net Bushels Acquired from the adjustment of Overages and Shortages at Country and Terminal Elevators at Board Initial Prices. Now who would that be? Who would the Canadian Wheat Board be purchasing grain from other than permit holders? Well the amount is 675,951 bushels, the dollar value is \$2,668,000 etc., that is grain that was stolen by the elevator companies from the producers of western Canada, and what is the figure for the previous year 1973-74? It was 2,706,000 bushels, stolen by the grain companies, all of them, from the producers in western Canada. Put a cash value on that one, \$9,000,349 so when we start talking about lily-white grain companies, if you find one let me know because I never have.

Mr. Speaker, being that the clown from Saskatoon has just returned and being that I think I am just getting warmed up, and being that I must catch a plan, I must unfortunately, or shall I say fortunately join 62 per cent of the people in this province who voted against this government in the last election and vote against this Throne Speech.

**Some Hon. Members:** Hear, hear!

**Hon. H.H. Rolfes** (Minister of Social Services): — Mr. Speaker, I have been allotted ten minutes by our Whip to say a few words in the Throne Speech debate and I intend to stay within those ten minutes.

I could, Mr. Speaker, speak about many of the good programs in the Department of Social Services, such as the new implementation of the Central Child Registry to help protect children who are being abused; or I could talk about the many adult correction measures that we have taken such as the increase in probation officers since 1970 from 17 to 45; I could talk about the success we have had in our community training residences; or the fine option program or the Indian Probation Project, or Mr. Speaker, I could talk about CORE Services and the wonderful work that it has done with the mentally retarded . . .

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — In 1970, Mr. Speaker, there were 1,423 people in institutions, children in institutions, with 500 of them on the waiting list. As of today there are 999, with no one on the waiting list. I think CORE Services deserves the congratulations of everybody in this House on the work that they have done.

Mr. Speaker, I could also talk about the senior citizens and the work that this government has done for senior citizens since 1971, but what I intend to do, Mr. Speaker, is refute some of the statements that have been made particularly by the Member for Qu'Appelle (Mr. Lane): on the Saskatchewan Assistance Plan allowances and SAP recipients.

I have before me, Mr. Speaker, the fiscal year 1970-71 when we had an expenditure of \$34 million, approximately \$34,300,000 on SAP with recipients totalling about 48,300. 1975-76 the expenditure was \$59 million (a little over): with total recipients of 34,602. This is March, 1976.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — A reduction, Mr. Speaker, a reduction of approximately 14,000 recipients. One may well ask why the increase in expenditures when you reduce the number of recipients? It's easy. There have been at least four or five increases of benefits for social recipients since 1971. There was an increase in the cost of living and we felt that the recipients should also receive an increase that would be in keeping with the increase in the cost of living.

Secondly, Mr. Speaker, when these people criticize the amount of money that is spent on SAP, they must keep in mind that they are criticizing the senior citizens of this province and the mentally retarded, Mr. Speaker, and they well know that.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — In the \$59 million is included 40 per cent that is spent for senior citizens and the mentally retarded. Or approximately \$24,700,000. The Member knows that and that is in the monthly report.

Let me return to the monthly report that we issue. September 1976 and we break it down for all recipients. In the first category — Age and Disability, there are 14,601 persons or 58.4 per cent of the total recipients or senior citizens, or ones of disability.

Mr. Speaker, the second group, and I have the page here taken out of the monthly report, Absence of Spouse. Where you have a death of a spouse, desertion of a spouse, spouse in hospital and so on — 10,369. So you take those two groups, Mr. Speaker, and you have a total of 24,970 out of a total of 36,200, which leaves less than 12,000 recipients who they say are not worthy.

Who are those that they say are not worthy? Let me refer again — those who have insufficient earnings, or those who may be unemployed? In September we had a total of 7,000 — personality problems, there may be people who have alcoholic problems, emotional problems, psychological problems, there were 382 of those.

Mr. Speaker, we also have people saying that all right there are many, many people on strike who receive social assistance. In September there were two cases. Two cases. Mr. Speaker, when these Members opposite criticize our government for being so generous to our senior citizens and our mentally retarded people, I simple can't stomach that and that's why I got into this debate.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Mr. Speaker, the Member for Qu'Appelle is not the only one. I haven't got the newsletter before me that was sent out from the self-made man for Thunder Creek (Mr. Thatcher). The self-made man did exactly the same thing. Or the man for Regina South (Mr. Cameron), he did exactly the same thing, Mr. Speaker. He sent a newsletter out to his constituents which indicated to them that most of these people were unworthy. He didn't indicate to them that 58.4 per cent of those people are senior citizens or mentally retarded people.

I received a letter from one of his constituents asking me to explain it. When I explained it to her she thanked me very much for the explanation and wondered why her own Member would take this kind of an attack on those worthy people.

Mr. Speaker, it is about time that someone stands up for our senior citizens and the mentally retarded, and those people who through no fault of their own haven't got sufficient earnings.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Mr. Speaker, I am sick and tired of those self-made men, the lawyer for Qu'Appelle, who no doubt makes 50 or 60 grand a year, or the lawyer for Regina South who no doubt makes \$100,000 if he makes any, or the self-made man for Thunder Creek who no doubt, if he hadn't inherited everything, would probably be one of these recipients. I'm sick and tired of those people attacking the poor.

This government's philosophy is that those people who can work, shall work, and through our ESP program we have put many people to work. I think it is the responsibility of governments to provide work for those people.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Mr. Speaker, through our ESP programs we have found out this year that 85 per cent of those people who have gone on our Employment Support Program have not gone back on the welfare roll, after nine months. They want to work. Let's not unjustifiably misconstrue the facts and take advantage of what is a trend today, a trend because you people make it a trend, and you will have to answer to your maker for that.

Thank you, Mr. Speaker, and I shall support the main motion.

**Some Hon. Members:** Hear, hear!

**Hon. R. Romanow** (Attorney General): — Mr. Speaker, it gives me a great deal of pleasure to enter into this debate for just a very few minutes this evening. I must say at the very beginning that I have to extend my congratulations to the mover and seconder on the Speech from the Throne, both of whom I will only repeat again, as said by others, acquitted themselves very ably not only in their traditional role as mover and seconder but in their general capacity as MLAs. I also want to extend my congratulations to the two new additions to the Cabinet. We welcome them as colleagues in the Saskatchewan Cabinet and I am sure that they will continue to work as hard and show that same dedication and determination in their Cabinet portfolios that they have in their tenure here as MLAs.

Now, Mr. Speaker, I don't have very much time available to me this evening and in many ways that's just as well. I'm sure that the Members opposite will agree with that statement. It may be the only one that they will agree with this evening. I want to say that that may be just as well especially because of the very short, but relevant intervention made just a few minutes ago by my colleague the Minister of Social Services (Mr. Rolfes): into this debate . . .

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — . . . because I don't think very much more can be said that highlights the dilemma that the two old-line parties, the Liberals and the Conservatives face in the Province of Saskatchewan in terms of politics. The dilemma which they face is the fact that they have no programs and no philosophies, no policies. They have a situation where their programs sort of drift almost like smoke in the air. They all try to grab at it from time to time. They are the types of Opposition Parties, Mr. Speaker, who, if you listen to the Member for Qu'Appelle (Mr. Lane): and you listen to the Member for Thunder Creek (Mr. Thatcher): and you shut your eyes you would think were almost identical in their basic philosophies. They represent the type of parties who seize on what they view to be the current fashion of the day. The current fashion of the day is to criticize the Department of Social Services and the trade unions. So like the Member for Qu'Appelle, he gets up and he criticizes the Department of Social Services and in his criticism criticizes the senior citizens and those who are handicapped. As the official spokesman for the Conservative Party and the Member for Thunder Creek because again of what he views to be the temporary fashion, the temporary fashion of the day, in a desperate search for a philosophy of his own party that he is not able to locate himself he goes out and criticizes the trade unionists and the working men in the best traditions and style of Bill 2.

I want to simply tell the Legislature and the people of the Province of Saskatchewan that these two old-line parties as highlighted by the remarks made by my colleague just a moment or two ago are in a political situation which they can't get out of, a political situation which will guarantee them the political wilderness for the next eight years at least.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, look at the Conservative Party, for example. I am going to come to the Liberals in just half a second. Look at the Conservative Party. One of the press boys said to me outside the Chamber, why is it that there are so many speakers who have talked about the Conservative Party in this Session. You have used them as the real Opposition? Well, I want to say, absolutely and clearly that is not the case. We basically laid off the Conservative Party in the first Session because they were rookies. We felt that they need some time to get their feet under their desks. Now, Mr. Speaker, this is the last day in the debate on the Speech from the Throne and I have sat here for six days vainly trying to listen and to determine what the position of the Conservative Party is on any single issue.

Now, Mr. Speaker, if you go to the convention of the Conservatives you see a situation which is downright embarrassing. You see a situation where, as pointed out by my colleague a few moments ago, the Leader of the Party enunciates a policy of what he would do with the Potash Corporation of Saskatchewan only to be repudiated by his party membership just moments thereafter.

We see the Member for Rosetown (Mr. Bailey), who is not in his seat tonight, getting up at the convention and talking in favor of massive rail line abandonment and elevator abandonment, and today, or when he spoke a few days ago in the Legislature, somehow trying to get off that dime.

I don't know for the life of me where the Conservative Party stands on any one single, major issue. I mean it is not good enough for all of us as Members of the Legislative Assembly to get up and just talk about too much government. I think sometimes that there is too much government, but I am challenging the Conservative Leader to tell the people of the Province of Saskatchewan that if there is too much government what would he eliminate from government as an aspect of his program. Would he eliminate Medicare? would he eliminate (as the Liberals would eliminate): the dental care? Would he eliminate (as the Liberals would eliminate): the drug plan? would he eliminate (as the Liberals would eliminate): the hearing aid plan? You can't work around this political operation trying to say nothing and do nothing and hope to come out a political force.

Mr. Speaker, I want to say that this Conservative Party is an arrogant political party. It is an arrogant political party in the best traditions of the old line Liberal and Conservative Parties. You look at all the newspaper reports coming out of the convention of theirs. It's not if the people will choose us. It's when the people will choose. It's not if Mr. Collver will become the Premier. It's when Mr. Collver will become the Premier. Mr. Speaker, I say that is arrogance that no Saskatchewan voter will tolerate and they've got a surprise in 1979 in store for them.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, arrogance, arrogance, arrogance in the best traditions of the Liberals and Conservatives. They are absolutely contemptuous of the public position. You can't go around telling the people of the province nothing about where you stand on one issue at all and expect them not to catch up with you some day. I say, Mr. Speaker, that this is a party, the first party probably in political history, that's grown arrogant without even ever taking office and with no prospect of ever taking office.

Now, Mr. Speaker, we see from time to time they reveal their true views on some issues. The defence of Cargill yesterday by the Member for Rosetown, but today a strange silence in light of the reports of the fact that investigations are in the hands of legal officers. We see from time to time their pro rail line abandonment position. We see their simplistic solutions on SaskOil and Bill 42.

Mr. Speaker, anybody who remembers the Conservative Party in this province knows that this bunch of seven or eight are the same old gang and they will never again be entrusted with the reins of power as far as the people of the Province of Saskatchewan are concerned.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, a word or two about my friends the Liberal Party. I had to smile to myself when the Member for Thunder Creek got up and said that I should think about the next 31 months and what's waiting for me. Well, I want to tell him that I'm not going to lose very much sleep thinking about what's going to happen to me in the next 31 months. But I think he should think about what's happening to his Liberal Party.

There are some of us in this Legislature who years ago in Opposition, certainly in the last five and a half years said, that the Liberals were getting their necks in a political noose by always being so negative and being so destructive and being so critical without offering any positive solutions, that this is a party that was becoming bankrupt of any new ideas. Mr. Speaker, I think that policy has now come home to roost.

A leadership race of two. I say, sincerely, I think fairly able men, but two men only who are vying for the leadership of what used to be once a very great party in the Province of Saskatchewan. It's a tragedy, Mr. Speaker, that the delegates of the Liberal Party don't have a choice, a wide choice as any vibrant and healthy political party would expect them to have.

Mr. Speaker, I don't know how far bankruptcy has fallen on the Liberal Party, but I was most shocked to read in the Saskatoon Star-Phoenix a few days ago, November 18. The headline in the Star-Phoenix says, referring to one of the contenders, "Merchant Would Consider Co-operation with PCs."

Now, Mr. Speaker, the situation is as the other leader for the Liberal leadership says, I quote:

When you boil it down, what do you have? Malone asked the crowd of about 120. You have a deal with the Tories.

That's the situation that the Liberal leadership has now descended to. Not a party that can stand on its own principles, but a party that has a deal with the Tories. Not a party that can tell the people of Saskatchewan, clearly and precisely where it stands, but a party that has a deal with that "smoke in the air" Tories. Not a party that can attract vibrant candidates, but a party that has a deal with the Tories, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Now, Mr. Speaker, I said the problem that they were in, I said that if you shut your eyes and if you listen to the Member for Qu'Appelle and if you listen to the Member for Thunder Creek and if you listen to the Member for Lakeview, the leadership candidate, you have the same bunch, the two old-line parties in the same boat.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — No, Mr. Speaker, no principles! No policies! No programs! "I'll sell SaskOil," says the Member for Lakeview if he becomes Premier. "I'll sell the Potash Corporation of



Saskatchewan.” The Member for Regina South says that he’ll consider selling Saskatchewan Government Insurance Office. The wholesale attack on the Crown corporations of the Province of Saskatchewan, but not a word, not a word about what the positive things of the Province of Saskatchewan are.

Mr. Speaker, I want the people of this province to know that a Liberal is a Tory, a Tory is a Liberal. There is no difference between these two old line parties.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Now, Mr. Speaker, I want to talk a little more about the lack of principles by these two old line parties. We have heard from the Member for Regina South (Mr. Cameron): and more recently today, the Member for Qu’Appelle (Mr. Lane): about how outraged they are about retroactive legislation. Oh, they might support some retroactive legislation for the Province of Saskatchewan, to protect our resources from the multinationals. They might. They are not going to be too definite about it yet. They are sort of thinking as to whether or not their interests lie with the province or lie with the multinationals. One of these days they will come around to making a final decision on that. They might support the legislation. But one thing that they don’t like is retroactive legislation, Mr. Speaker. My goodness, it’s that socialist government in Regina that tramples over the rights of everybody with retroactive legislation.

Mr. Speaker, the people of the province should see through this shallow argument. They see through the fact that this outraged principle against retroactivity is so selective, so color blind, as far as the Liberals and the Conservatives are concerned, that it is not a position of principle or policy, none whatsoever.

Mr. Speaker, I heard the Member for Regina South talking in this House a few days ago on this very issue and he ended up by saying that the policy of retroactive legislation is a bad, bad policy. I didn’t hear him say a word about what I had here in front of me, Mr. Speaker. A federal bill passed in June 1975 by the Federal Liberal Government, called the Petroleum Export Charges Act. And I want to read here, one subsection which says:

There shall be imposed, levied and collected on each barrel of petroleum exported from Canada in the period commencing on the 1st day of June 1974 and ending on the 1st day of October 1974, a charge of \$5.20.

Now, Mr. Speaker, this federal Act was passed on June 19, 1975 and was made retroactive to April 1, 1974. And not a word by the Liberals opposite.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Now a word by the Liberals opposite whatsoever.

Now, I just happened to pick up, by interest, you can believe this or not, but by passing interest tonight I picked up three statute books just to take a book at the last year, 1970, of the Liberal administration on retroactive legislation. Now they had a work load that year of 87 bills. Mr. Speaker, out

of those 87 bills, I counted — this is a hurried count — 14 of those bills dealing with taxation and in the case of one of those bills, dealing with a court case, where there was a retroactive law passed. But the thing, Mr. Speaker, that amazed me the most, when I looked, quite clearly by accident, when I looked at it I ran across a Chapter 44, The Mineral Taxation Act. I said, surely not the Liberals, surely not the Liberals of 1970, those of outraged principle would pass a retroactive bill. And surely not The mineral Taxation Act. Lo and behold, I read this, Mr. Speaker, Section 4. And by the way, Mr. Speaker, time doesn't allow me to talk about the taxation provisions of that, no it doesn't because I have to be off at 8:20 and I'm going to in order to accommodate the Member for Wilkie, Section 4 says this:

This Act comes into force on a day to be fixed by proclamation of the Lieutenant-Governor and upon coming into force is retroactive and shall be deemed to have been in force on or from the 1st day of January in the year of such proclamation.

Now, Mr. Speaker, I was absolutely shocked, especially when I heard the remarks of the Member for Regina south. When I heard the Member for Regina South, I said, no, this is not Mr. Stuart Cameron who opposed retroactive legislation. And then I said, now who was the Minister of Mineral Resources when this bill in 1970 was passed? Alex Cameron, the father of the Member for Regina South, was the Minister in charge.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — I want to tell you that I have a lot of respect for Alex Cameron and I say that sincerely, as an old time politician who I think was one of the best debaters and if I may say, one of the most principled Liberals around. But I tell you I certainly hope and I say this with all the seriousness that I can muster in me, that the Liberal Party does not for pure political opportunism turn its back on this type of a record, of 14 retroactive bills for pure political opportunism. And nor do I hope that the former executive assistant of the Attorney General of the day, many of whose were his bills, for mere political opportunism, doesn't say anything about retroactive legislation.

Now, Mr. Speaker, I could go on. They date back to 1964 and the like. I want to just say one other thing on this whole issue of retroactivity, because it's becoming kind of an issue, a cause célèbre.

Mr. Speaker, my remarks now are now directed to the media. I don't expect that I'm going to get all that much, nor do I particularly, I would hope otherwise, but I don't expect very much with respect to retroactive legislation. But I've read and we heard the Member for Qu'Appelle tonight, giving us editorials. Now I just happened to do a very casual check. I don't recall one editorial in the media, Mr. Speaker. No one in the media. Absolutely no one about this principle of retroactivity. But now, all of a sudden, it applies as a major principle to the NDP Government, the people of Saskatchewan.

Mr. Speaker, last night or yesterday we heard my colleague the Member for Biggar (Mr. Cowley): make what I think, was a

very interesting speech, in particular with respect to a contribution, a particular contribution under The Elections Act. And I say this to the Liberals, I say it to the Conservatives and to us, if it was any one of the politicians of the day being involved in that type of a situation, you would have a media uproar demanding a full and clear airing about this matter like you wouldn't believe.

Now, Mr. Speaker, I'm not saying that there is anything illegal in what the CKCK radio contribution was, but I do say this, Mr. Speaker, that I have a right to assume that the media which is going to be reporting my activities as a Member of the Legislative Assembly shall do so as honorably as it can and not only shall do so, but shall appear like it's doing so. Honourable as a judge.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And when we have the situation which exists on this major issue, the media being silent in 1970 and now coming out being critical of us, I say, for shame on them, I say for shame on the Liberals and the Conservative Party.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — I say to them, to the Tories, and to the Liberals, that type of shallowness, notwithstanding your allies in the media and the corporations, shall be exposed, shall be exposed and you'll reap the whirlwind in 1979.

Mr. Speaker, I can only close off by saying that I will be supporting the main motion. Thank you very much.

**Some Hon. Members:** Hear, hear!

**Miss L. B. Clifford (Wilkie):** — Mr. Speaker, it's my pleasure to be able to speak on the Throne Speech debate today. I'm a little disappointed though because earlier in the day, the Member for Saskatoon Centre (Mr. Mostoway): had offered some drama lessons and I found that the Attorney General has since taken up his offer and has taken the drama lessons and has done very well today, Attorney General.

Much has been said about the Throne Speech, but there really wasn't much in it to talk about. Looking at the direction of the Government and the plan that they've been doing, it makes me think that there is only one thing that I'd less rather talk about than the Throne Speech and that's about the Grey Cup game. I don't believe in expropriation under any costs but there's one thing I wish the Premier had done when he was there. In the last 50 seconds of the game he should have picked up the ball and stolen it because it would have been better for us, but I'm sure we'll get our chance next time.

As the Throne Speech says, Mr. Speaker, there are clouds on the horizon and it is time for all governments to squarely face the future and critically examine the existing programs and re-establish their priorities.

At this time it is difficult for any government to combat inflation and to work on the problems that we find ourselves

facing. But when a government loses touch with the people and is not listening, then it is time that we point out the discrepancies of the programs. Of course, at the same time we will be accused of being particularly political, which is a thing they cannot get away from when we have different political parties, but I hope that you will try to listen and take our positive suggestions and criticism to heart, because after all we are all working for the people of Saskatchewan.

Your government, Mr. Speaker, unfortunately in many areas has stopped listening to the people of Saskatchewan. That doesn't happen to an NDP government in particular, it happened to us when we were defeated, it's happened to governments, for instance, in Quebec and the States. But this is a time when it's crucial in Canada, that we must listen to the people and we must work for the people of Saskatchewan and for the betterment of the people of Saskatchewan. As I said it's not easy to be a government in these times. There are many problems and there are challenges which we must face, we must face them head on.

Inflation remains as a cause of concern, but what have you done about it as a government? You criticize the Federal Government and praise yourselves. I will be the first to admit that the anti-inflation program has got many things to be overcome, but you have to look in our own backyard, your provincial program, unfortunately in many ways in ineffective and cosmetic.

Rent controls are not working. Cost of university housing and of nursing homes are rising. Strikes continue to increase but what can we do about it? Considering the Federal Government has to worry about the problems all over Canada, we too must look at our provincial programs.

You've heard the saying that people in glass houses should not throw stones and this is a time in which we have to consider all possibilities. We will be asked to consider amendments in The Residential Tenancies Act and I'm looking forward to those because I hope that they will alleviate some of the problems that we have at the moment.

I'm amazed, Mr. Speaker, to find that the second longest section in the Throne Speech dealt with federal and provincial matters. I'm not amazed at the fact they were in there, because they are indeed important, but I'm amazed at the way in which they were handled. Condemnation and criticism was the overall theme.

I was pleased to hear during this Session, the Premier commending the Federal Government on the way in which they were handling the problem of Canadian unity. It is very rare to find leaders commending each other if they are different parties and I commend him for that.

You have to remember that in the country of Canada, that no province or no man, as the saying goes, is an island and we have to consider first, what Saskatchewan needs and I would say that most of us in here are considering that, but you also have to consider that there are other provinces in Canada and we have also to consider them.

No mention was made of increased markets that have been secured by the Federal Government. No mention was made about the voluntary stabilization program that can give help to agricultural people in Saskatchewan. These programs show concern for the West and are of benefit to Saskatchewan.

Criticisms were made regarding ceilings that were put on by the Federal Government for cost sharing programs. What business, what housewife what farmer, does not put ceilings on their budgetary spendings. It is like writing out a blank cheque. Your government cannot do that and neither can the Federal Government.

Much has been said about programs such as the “free” dental program, “free” drug prescription. These are commendable programs, if the basic needs are taken care of first. But if all the provinces in Canada tried to spend their money on cost sharing programs on these “free,” so to speak type of programs, there wouldn’t be enough that we could raise even with all the governments working together.

I should like to read just very briefly from a news clipping. It is by Health Minister Marc Lalonde. He agrees that the provinces must be concerned about spending. He said:

He told a special committee that their concerns over government legislation would limit federal contributions to medical care programs. But federally imposed program restraints were necessary if anticipated sharp increases in medical care costs were to be contained. Mr. Lalonde said he too would have resisted federal proposals had he been a provincial minister. The federal legislation would still provide a reasonable level of growth in medical spending without undermining the care for the sick.

Just as the Minister here of Social Services and the Minister of Health are trying to somehow combat the rising costs so does the Federal Government have to combat these costs.

Surely, though, when you look at your health costs, you can’t believe that your modest restraints as were quoted in the Throne Speech haven’t resulted in major cutbacks and effects in the health services.

My colleague from Saskatoon Eastview dealt with these quite extensively, especially in his own area of Saskatoon. He talked about how the waiting lists were increasing. How the capacity for dealing with patients compared to the number of people being admitted was indeed a problem. I think this has been dealt with very extensively because it is one of the main problems we have in Saskatchewan.

And as a Liberal, we have heard many different things about what the Liberal Government did. But believe me you are running into the same type of problem that we did. Because you are not listening to the problem, you are not listening to the people.

**Some Hon. Members:** Hear, hear!

**Miss Clifford:** — A tight lid has been placed on hospital spending. Those providing health services have been warned that first of all you look after the basic programs and then you look after the other programs such as the drug program, and the hearing aid program.

It is little comfort for a person who cannot get into a hospital to have these programs. I am not running down the

programs because whenever any criticism, whether it be positive or otherwise, we are always accused of saying we don't want to help the sick, or the weak or whatever. I think it is time for us to get together and to look at the programs and listen to advice that perhaps we are getting in our constituencies on the problems so we can make these programs more efficient.

Mr. Speaker, this trend has been going on too long and I think it is time as I have indicated for the Government to look at their priorities.

I would like to dwell for a minute on the Department of Social Services. Tonight has been an active one for the Department of Social Services. The Department of Social Services is responsible to many people for many different reasons. The diversity makes it a very difficult department to direct. This is why we need particularly in this department, frequent re-evaluation of programs and priorities. It is not good enough to say that we are spending more money than we did nine or ten years ago. It is time to get off a particular political band wagon, lauding yourself for your great programs and to get your head out of the sand and to look at the programs. I was disappointed tonight in the fact that you got up, Mr. Minister, and stated that because we criticized we were against the sick, we were against the mentally handicapped. I don't think that there is any way in which you can find facts and figures to support that, because you didn't do it tonight.

Senior citizens are in need of housing as I am sure you will be able to confirm and also nursing home care. They are in a desperate situation. I am particularly concerned about the private paying residents in the nursing homes. The increases are hitting them the hardest. Saskatchewan has some of the highest rates in Canada as far as the cost of nursing home care. I would hate to have to pay \$400 or \$600 a month if I was not in a full paying job, if I did not have a regular income coming in.

I suggested last session that something should be done to remove the burden from the private paying residents. The past few months have been crucial for the department as far as nursing home care, there have been a number of strikes. I have particularly waited to see what would happen as far as the strikes and as far as the raising of the rents in the nursing homes. I am still waiting. I don't like to criticize unless I have some type of solution.

I have put a resolution on the Order Paper that you will at least consider giving some additional grants to the nursing homes on behalf of the private paying citizen. This may be a problem in times of where we are trying to cut down costs. But I think there are other ways in which we can get the money, perhaps take it from a different area . . . not health. I won't get into the potash and other discussions that have been going on. I know that if you had to pay \$400 to \$600 a month out of a limited fixed income, then I think that there would be a problem.

Saskatchewan Assistance Plan is another area of concern, particularly to me. In my association with constituents I have come upon a number of problems and I think the main problem is that the department perhaps does not have an understanding of individual problems. The department has to be re-evaluated to see that not only the rules are enforced when it comes to taking

away Saskatchewan Assistance but also they are equally enforced when it comes to leaning one way or the other and to perhaps give the benefit of the doubt to the people who are trying to get the assistance.

I have had a number of instances where I have had people come with overpayment problems to me. I would say, not exaggerating, perhaps I have had ten or twelve in the last couple of months. That is not an overwhelming number, but if you compare that to 60 constituencies that is over 600 people and that is a problem. It is something that the department has to look at very carefully. I think perhaps that even you, Mr. Minister would admit that there have been a number of problems and you can always use re-evaluation in your program.

I should like to commend the Government today when the Minister said there have been some improvements in the Corrections Department in the province. You said you have hired from 17 to 45 new probation officers. I don't know whether that was on your own initiative, but if you recall from the last session I advised that perhaps that would be a good idea. I am very pleased to find that that has been acted on. I hope that the type of probation system that we need very badly especially in the cities but also all over the province will be taken into consideration.

It amused me, Mr. Speaker, to find when the Attorney General got up this evening he was quoting from papers, talking about different laws and retroactive bills we have had. Have they ever been challenged by the courts Mr. Attorney General as the ones that you are challenging. You were talking about the different parties being compatible. There is one way in which your party and the party on the left of us are compatible and that is that you are both being challenged in the courts at the moment, particularly the Leader of the Conservative Party.

You talked about us being in the wilderness. I should like to extend an invitation to our convention that is going to be held on the 9th and 10th. It is going to be a better convention than the other parties have had combined.

**Some Hon. Members:** Hear, hear!

**Miss Clifford:** — We have heard nice comments about our Leader, Mr. Steuart, and I thank you for those. We have got two great Members that are running for our new party leader. I just ask you to sit up and take notice, because we are certainly not going to be in the wilderness and you will be surprised at what is going to be happening after our leadership convention.

One final thing on the discussion of our caucus and our party. I'd like the NDP to compare any 13 Members that you have and if the PC ever get 13 Members I would like you to compare them to our caucus, because there is no comparison whatsoever.

**Some Hon. Members:** Hear, hear!

**Miss Clifford:** — As I conclude, Mr. Speaker, I would like to suggest as Darrel Sittler did at the dinner held in honor of Team Canada, yesterday evening, that on their team they have people that are French and English and they have people from the East and from the West and they won. And they said that Canada can also win.

At the same time Saskatchewan can win with Canada. At this time we should sit and reflect about what we are really doing here, first for the benefit of the people of Saskatchewan but also keeping in mind that we are part of Canada.

Mr. Speaker, I cannot support the motion.

**Some Hon. Members:** Hear, hear!

**Mr. C.P. MacDonald** (Indian Head-Wolseley): — Mr. Speaker, after listening to the Attorney General, I am very tempted to diverge from the thought of my remarks this evening, but I hope that I can have a few minutes perhaps to respond to him before I finish.

Tonight I want to take a few minutes of the time of the House to discuss an issue that I think is important, Mr. Speaker. I want to talk about two men. One of them is Dave Steuart, the Leader of the Opposition and the second is Gary Lane, the Member for Qu'Appelle. I would like to make a contrast if I might. Mr. Speaker, unfortunately my seatmate, Dave Steuart is out of town tonight, unavoidably and perhaps will be back by the time the vote is held.

Dave Steuart has made his last contribution to this Assembly as the Leader of the Opposition. I think I can safely say that all Members, regardless of what party or what side of the House looked on the contribution by Dave Steuart, not only as the Leader of the Opposition, as Minister of the Crown and as a Minister of the Treasury Benches, as a man who had devoted years in municipal government, with respect and admiration. Here is a man who all of us can say perhaps contributed three things. A sense of humor which all of us felt in jest and all of us felt on occasion some very repercussions. The second thing that Dave Steuart really contributed to Saskatchewan was a sense of responsibility; a responsibility to his party, to his community to his province and to his country. The third thing was a sense of loyalty. Believe me, Mr. Speaker, if there is anything that is required in the political life of this nation today, it is a sense of loyalty to the principles that you believe in.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Even though my seatmate may move to the back, I certainly shall miss him. I think that he will go down in the political life in this province as a man who has contributed 25 years of his life, has made a very valid contribution every time that he stood on his feet, expressed his thoughts, promoted a policy or a program or expressed a criticism which he sincerely believed in.

Mr. Speaker, I want to turn for a moment to the Member for Qu'Appelle. I do so with reluctance because, Mr. Speaker, this afternoon, I had anticipated that the Member for Qu'Appelle would stand on his feet and tell the Members of this Assembly why he decided to separate his allegiance from the Liberal Party and move to the Conservative Party. I expected, secondly, that he would stand on his feet and tell us what policy and what program and what particular idealism of the Liberal Party that he objected to. Thirdly, I expected him to stand up and tell his constituents whom I believe he has a responsibility and a loyalty to, whether he does or not . . .



**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — . . . as to why he decided to divorce himself and to join another party. Fourthly, Mr. Speaker, I expected him to tell his colleagues in this Assembly which he has never once at any time expressed a divergent view or told them any reason why he disagreed with the provincial policy of the Saskatchewan Liberal Party. I expected him to stand on his feet and tell us why, and to tell me why, who have worked on his behalf and supported him.

I want to tell you also, Mr. Speaker, that politicians in Canada are in disrepute in 1976. In disrepute in Ottawa and Quebec and across every province in Canada. Their honesty, their integrity, their loyalty is being challenged by the public as a whole. What bothers me most, Mr. Speaker, is that I take that as a personal challenge as well. I can tell the Members of this Assembly, this is my 16th or 17th session and never on one occasion have I ever been ashamed of political life. I believed it to be the most honest, the most difficult and the most trying of any vocation that I have ever come across. I think it is a great life. I think that each Member in this Assembly and every man who stands for election in the Dominion of Canada can be justly proud of his choice of vocation.

The Ottawa scene today is not a happy one. I say that in all honesty. I disagree as much as any Canadian. The situation in Quebec is not a happy one and I disagree as much as anybody. You know it has almost become fashionable to be anti-Ottawa and anti-federal Liberal. And I speak of the Members of the Government as well as the Members of the Tory Party. It has become very fashionable to attack and to abandon what they think is a sinking ship or kick a dog that's down. This is what bothers me most about Mr. Lane. He picked a time and an opportunity and an issue that had nothing to do with principle, had nothing to do with the Saskatchewan Liberal Party and had nothing to do with my colleagues. He picked a time and a place for his personal opportunism, his personal advantage, what he considered his personal future to attack the Federal Liberal Party and use that as an excuse to separate himself from his principles and his colleagues and his responsibility. Mr. Speaker, that destroys my confidence in politicians and makes me despise the action that he undertook.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Let me ask all of you what are your and my responsibilities as elected Members? First of all what are our responsibilities to our constituents? Mr. Speaker, I take them very seriously and each one of you have been elected by your NDP supporters or your Conservative supporters, I was elected by Liberal supporters and Liberal workers. I want to tell you a good portion of Gary Lane's seat is my old constituency.

**Mr. Speaker:** — Order! I know the Member feels strongly about the issue he is talking about but it is a commonly held and understood rule in the House that a Member must be referred to by his constituency and not by his name.

**Mr. MacDonald:** — I accept your judgment, Mr. Speaker, the Member

for Qu'Appelle. Many of my constituents have expressed great disappointment. Not because it is a Liberal that has been lost but because they believed in something and worked strongly for him, as did many people over on this side of House and some people from across Canada for the battle that he undertook in the constituency of Qu'Appelle. They didn't work for Gary Lane, they worked for the Liberal Party and they worked because they believed that he represented that party. Oh, it is easy to say that some of his executive had jumped the fence. Let me tell you if I jumped the fence, my executive would be in my support, just as any Member in this House. Because we pick our executive, we get the people who will support us and the people who will work with us but the people in the trenches, the people that do the work or those people who have had years of belief in a political philosophy and idea that they support, year in and year out, that is the strength of the party system in this nation.

The second thing I want to talk about is the party. You know I believe in the party system. Let me tell you there are many times that I disagree with the Liberals. I am going to tell you the Member for Qu'Appelle doesn't disagree with the Federal Liberal Party as much as I do. I will tell you something, when he runs for the leadership and he is given a Liberal membership list, including my membership, and I've asked to return it and he refuses to do so, then sends political garbage like he sent, then I resent it. That's the kind of principles that I disagree with.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Let me read a paragraph of that letter, Mr. Speaker. Because I don't think that anything else expresses more the kind of a man who now sits to my left and I suggest to you this seems is his day of glory. Three years from now it will be a different day. I only wish that I could leave the constituency that I run in so that I could run against him. Listen to what he says:

I have long advocated a split between federal and provincial wings of the Liberal Party in Saskatchewan. There is no doubt that federal programs or attitudes hurt the provincial Liberals in the last two elections.

I'll agree with that.

Unifying statements such as, 'a Liberal is a Liberal is Liberal', was simply not accurate and more harmful to us.

I'll agree with that.

However, to split now with the federal Liberals fortunes at a low ebb would leave us open to charges of crass, political opportunism and rightly so.

That's exactly, Mr. Speaker, what that man has done.

Mr. Speaker, I want to refer back to a little bit about his record and how he got into politics. He was the executive assistant to the Attorney General, a man by the name of Darrel Heald. Mr. Heald went out and won the confidence and the loyalty of a constituency that was considered the safest Liberal seat in southern Saskatchewan; then he went to the Bench and has since then had a distinguished career. Then it was decided that

perhaps this young man who was his executive assistant would be an able candidate. He was promoted by the Liberal Party, then in power in the province. He barely won a nomination convention that he would never have won without the support of the provincial executive and the Premier and Darrel Heald. Then he went out and ran in a provincial election and won by about 100 votes, and if it hadn't been the safest seat in Saskatchewan he never would have won. Then he turns around on those people who worked and supported him and betrays them.

Mr. Speaker, I want to talk a little bit about another aspect that bothers me. I know there are lots of Canadians who have switched political parties and I have no disloyalty or no disrespect for them. I think of my former Premier, the father of the Member for Thunder Creek (Mr. Thatcher). He switched political parties and became the Premier of Saskatchewan, but he switched on principles that he believed and espoused and uttered for years before he switched parties and every NDP member in the Dominion of Canada knew Ross Thatcher disagreed with socialism. He believed that it was the wrong way to promote the future of Saskatchewan and of Canada. I think of Jean Marchand who left the Liberal Cabinet because of bilingualism and what he believed to be was a strong principle. But I want to tell you tonight that the Member for Qu'Appelle has never stood up in caucus on one occasion and expressed a disagreement with the Saskatchewan Liberal Party, not one policy, not one program. In fact in the last provincial election he was the man who developed a good portion of that program in his responsibilities as an MLA. Not one policy, there isn't one MLA sitting here who can remember on one occasion when he stood up and expressed a disagreement in principle or philosophy with our party.

Mr. Speaker, I believe in federalism as does every Member in this House. We believe in Canada, but we believe as Saskatchewan elected representatives that our place in Confederation as a strong provincial party and a strong provincial government. The only reason the Member for Qu'Appelle has given to disavow his loyalty and association with the Saskatchewan Liberal Party is his disagreement with Ottawa. I want to tell him that I disagreed with John Diefenbaker, I disagreed with Lester Pearson and I disagree on many occasions with Pierre Elliott Trudeau. That's my job because my responsibilities are of a provincial nature. That's what bothers me as much as any other single thing.

Mr. Speaker, I want to read to you a letter which I don't think ever expressed more adequately the reasons of the Member for Qu'Appelle leaving the Liberal Party. This is the letter he sent to the President of the Saskatchewan Liberal Party. And I want to tell you when that letter was presented at about 9:20 on the morning that he joined the Conservative Party in a press conference at 10:00 o'clock. He never, ever, once visited the president of the party, or the Leader of the party or any member of the caucus to discuss his move, even though many of us perhaps were aware of what was going on. I want to read that letter:

As you are well aware I have expressed my many concerns about the Liberal Party.

That, Mr. Speaker, I disagree with because it is false, because he explains it later and refers to the Federal Liberal Party.

I have expressed my opposition to many of the policies of the Liberal Party of Canada. I have indicated to others my opinion that the Liberal Party has failed to articulate and act upon the concerns of western Canadians. We need only to look to the state of the Liberal Party in other western provinces as proof of such a failure.

Then he goes on to explain the real reason.

I have made clear my personal goals in politics, to participate in a government that is able to act quickly and strongly to present the views of Saskatchewan citizens without the necessity of a socialist doctrine.

Who on this side of the House doesn't agree?

To participate in a government which is prepared to attempt to solve the social problems in a most effective manner as possible including encouraging individuals to solve social problems or at least to participate in the solving of social problems. To participate in a government which realizes that the effectiveness is more important than the size of bureaucracy.

May I digress to ask him to look at Peter Lougheed, the biggest blow for bureaucracy in the Dominion of Canada, next to Davis.

It is with much regret . . .

And here is the meat of it,

. . . I no longer see the Liberal Party of Saskatchewan as a vehicle retaining my personal political vote. I no longer see the Liberal Party of Saskatchewan as the vehicle to form a new government in the Province of Saskatchewan.

It was not that he disagreed with our policy or our programs, not that he disagreed with our philosophy or our idealism, he didn't think we could become the government.

I am therefore tendering to you my resignation from the Liberal Party of Saskatchewan. I am today joining the Progressive Conservative Party of Saskatchewan, a party which I believe has the best opportunity of forming the next government of Saskatchewan.

That's the reason, Mr. Speaker, for his joining the Conservative Party.

You know, Mr. Speaker, that bothers me. Three years is a lot of time in a political life in this country. I remember three months before Pierre Elliott Trudeau was elected as the Leader of the Liberal Party in Canada, a banana eater would have swept the country. And I am going to tell the Member for Qu'Appelle and the Member for Nipawin, don't count out the Liberal Party in the Province of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — I am going to tell him that there are 13 people here with the capacity and the capability and three years down the road I believe that Liberalism is the only philosophy that can attract the Canadian public.

Mr. Speaker, I see that my time is up. I only want to make one more comment and I can't sit down without saying something about the NDP.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, after listening to the Throne Speech I just want to say one thing. There are only three things, all of them negative: That political party over there is old, and it's tired and bankrupt and they are no longer going to deserve the support of the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

Motion agreed to on the following recorded division:

#### YEAS — 33

Blakeney	Robbins	Cowley
Pepper	MacMurchy	Tchorzewski
Thibault	Mostoway	Shillington
Smishek	Larson	Vickar
Romanow	Whelan	Skoberg
Messer	Kwasnica	Nelson (Yorkton)
Snyder	Dyck	Allen
Byers	McNeill	Koskie
Kramer	Feschuk	Faris
Johnson	Lange	Rolfes
Thompson	Kowalchuk	
Banda		

#### NAYS — 13

Stodalka	Cameron	Lane
Clifford	Nelson	Birkbeck
	(Assiniboia-Gravelbourg)	
Wiebe	Thatcher	Ham
Malone	Larter	Katzman
MacDonald		

**Hon. R. Romanow** (Attorney General): — Mr. Speaker, I move, seconded by the Hon. Mr. Blakeney:

That the said Address be engrossed and presented to His Honour the Lieutenant Governor by such Members of the Assembly as are of the Executive Council.

Motion agreed to.

#### SECOND READINGS

Hon. W. E. Smishek (Minister of Finance) moved second reading of Bill 10 moved second reading of Bill 10 — **An Act to amend The Income Tax Act.**

He said: Mr. Speaker, Bill 10 contains two changes to The Income Tax Act, one that will permit the Saskatchewan Royalty Tax Rebate to be established by regulation under The Income Tax Act and secondly it will regulate the activities of the tax discounters in the province.

Members of the Legislature are likely aware of the problems which resulted from the federal Budget November, 1974, but perhaps some of you may not recall, so let me refresh your memory. The federal Budget disallowed as of May 7, 1974, the deduction of Crown royalties and similar taxes as a business expense for income tax purposes. We as a province opposed the federal action when it was first proposed. Mr. Speaker, we still oppose that action of the Federal Government.

What makes the federal decision even more offensive to us, not only to Saskatchewan but to all the other provinces, is that because our income tax system uses the federal definition, and this is the particular problem, and what we are trying to resolve. We use the federal definition of the income tax and the federal decision to make Crown royalties and taxes non-deductible also apply to our provincial income tax. To demonstrate the sincerity of our protest against this double taxation that was imposed by the Federal Government we established the Saskatchewan Royalty Tax Rebate. This rebate ensures that insofar as Saskatchewan's income tax is concerned, the situation remains basically the same as it was before May 7, 1974, when all Crown royalties and taxes were fully deductible.

The current amendments will replace the existing rebate legislation with a new section that permits the Lieutenant-Government-in-Council to establish the Saskatchewan Royalty Tax Rebate under the Regulations to The Income Tax Act. The reason for this amendment, Mr. Speaker, I think is quite obvious. As I indicated earlier the purpose of this rebate is to ensure that for purposes of Saskatchewan income tax, the situation remains the same as it was prior to May 7, 1974, when all Crown royalties and taxes were fully deductible. Since November 1974, the Federal Government has made a number of changes in definitions and interpretations of what constitutes Crown royalties and taxes. Each time the Federal Government alters its position, companion legislation is required in Saskatchewan and other provinces to do the same thing, to restore the original intent of the rebate. This creates delays and confusion for Saskatchewan taxpayers, therefore, we are proposing to establish the rebate by regulation so that we can respond more quickly to changes that the federal legislation permits, allows or is enacted or any interpretations thereto.

This amendment, Mr. Speaker, will provide additional benefits. At the present time, corporations are eligible for the rebate under Section 4(a) of the Act, but individuals who are eligible for the rebate must apply for a remission of the tax under the Finance Act. The amendment will therefore permit the establishment of regulations to ensure that the same terms and conditions apply to both individuals and corporations. It will also allow us to enter into discussions with the Federal Government to have Revenue Canada administer the rebates to individuals in the same manner as they are currently doing for corporations.

Mr. Speaker, I know that Members from time to time, particularly the Opposition take offence to having these kinds of rules and regulations. I would prefer, Mr. Speaker, that we didn't have to do it. You will recall we made the amendments last year in order to take care of the changes that the Federal Government instituted. But this year they again made changes. In fact no sooner had we passed our legislation last year because of the alterations that were made by the Federal Government, two weeks later the Federal Government again changed the definitions and the interpretation and therefore it becomes necessary to again

make the amendments. We don't know how often the Federal Government may be changing these, but these changes create great delays. The only way that I see that we can respond very quickly is by Regulations by the Lieutenant-Governor's order-in-Council.

Mr. Speaker, there is another amendment which I want to turn to for a second and major change that is being made in this Act. Recently commercial tax discounters have become firmly established in several Saskatchewan cities. By taking advantage of loopholes in the federal law some of the operators have succeeded in charging what they call excessive interest rates on loans secured by the income tax refunds. Meanwhile there are organizations which have provided the same service but at reasonable cost to the borrower. I know that there are situations where persons simply cannot afford to wait until their tax return is processed and the refund is received. The intent of this amendment is to prevent tax discounters from charging excessive rates of interest.

According to information obtained from the Department of Consumer Affairs in 1975, some tax discounters have charged interest rates as high as 1,200 per cent. What this means is that the person filing the return actually receives only about 30 per cent of the refund to which he is entitled. Discounters will be obliged to pay what the amendment proposes, at least 95 per cent of the value of their refund. In addition, anyone providing cash advances on the security of the income tax return will be permitted to charge only a reasonable amount for completing the tax return. I particularly refer to the words, "reasonable amount."

This amendment will protect residents of this province, particularly those on low income groups against exorbitant charges by some of these unscrupulous operators. It will not interfere with those organizations, Mr. Speaker, who are providing a legitimate service to the public at reasonable cost. It will only affect those persons who prepare income tax returns as long as they are not also making loans on the basis of a tax refund.

Mr. Speaker, these are the two principles in this Bill. Mr. Speaker, in both cases, and the reason we are bringing this now and hope they will be approved before this Session adjourns is that it is important that these changes to be made as of the first of the year in both the rebates, so that people can get the benefit, as well as in the case of the provisions dealing with the discounters. The low income people who get their TD-1 Form from their employer and have some money coming to them, do not wait very long before they submit their returns. Come the first of the year they want to submit their returns and get their money back as quickly as possible. It is important in order that we protect these low income persons that the legislation take effect as of January 1.

Mr. Speaker, with those few words, I move second reading of this Bill.

**Mr. C. P. MacDonald** (Indian Head-Wolseley): — Mr. Speaker, first of all I won't pretend I understand the amendment in its entirety. I should like to make just a few comments. First of all it is important to recognize that the rebate goes to the company and not to the Government. Second, that this rebate is related to the changes of deductibility of

royalties of the federal legislation I believe of 1974, and that the rebate generally has been increased by changes of the Federal Government and the Provincial Government up until now.

The one problem I see with the amendment, and as the Minister has indicated, that once again we are leaving the companies and the corporations in the resource industry in Saskatchewan to the whims of regulations of the Provincial Cabinet. This is dangerous. I also understand and sympathize with the problems which the Minister has in the fact that provincial changes have to adjust to federal changes. From what I understand it is a very technical Bill, and the Federal Government has been continually changing definitions which require provincial statute changes. It is not a good principle to put this kind of thing in regulation. However, I am going to support the Bill, because of the fact that I believe in the sincerity of the Bill. The preamble of the Bill seems to limit the opportunity of the Provincial Cabinet from using regulations that would distort the intention of the federal Act.

It is important to recognize as I say, the rebate goes to the corporation, it is related to the Provincial income tax, it is related to the idea of a rebate to replace the deductibility of the royalties in the Federal Resource Taxation policy of many years ago.

The second part of the Act, of course, relates to tax discounters. I must be fairly honest, I wasn't really aware that it existed to the extent that apparently they do in the province. Whether that extent is one or ten or 20 or 30. A tax discounter from what I understand, is very simply a person who takes an individual and fills out his tax return, and if his income tax rebate isn't due for a month or two, will provide a cash settlement and then will negotiate the terms of that cash settlement whether it be 50 per cent or 75 per cent of the rebate from his income tax. This Bill merely stipulates in no uncertain terms that that tax discounter can only charge, must rebate to the person who filed his income tax, 95 per cent of its value.

I think it is a good change in the income tax law, it should provide some protection and, therefore, Mr. Speaker, I will be supporting second reading of this Bill.

**Some Hon. Members:** Hear, hear!

**Mr. J.G. Lane** (Qu'Appelle): — Mr. Speaker, we don't like the principle of taxation by Order in Council or taxation by Cabinet. It is a principle that has been established by this Government opposite and I don't think the indication from the Minister that this is something that just came along that requires the urgent passing by this Assembly is a valid or a fair one.

The fact is that this legislation has been on the books for approximately two years, I believe it was 1974, well even 1975. The fact you have been involved in a squabble with Ottawa for the last year doesn't justify coming into this House with the principle of taxation by Cabinet and wanting it passed by this House in two days before we get out, I think that is very unfair on the part of the Minister. I think it is a very poor way to run a Department of Finance, if we are going to be faced with that type of operation.

Substantive taxation by Cabinet is not a healthy principle



and it is not a democratic principle. We oppose that particular provision.

Mr. Speaker, I expected from the Minister an indication as to why provisions on tax discounters wasn't put in The Cost of Credit Disclosure Act, an action taken under a provision that has been established some years ago, and a very obvious provision. An Act that was designed for that very specific purpose, surely the Minister doesn't expect his explanation today to be a valid one. We are also a little surprised that this problem — and I believe other Members of the Opposition have raised this particular problem last year — about this problem of tax discounters and the situation that was developing among the lower income people being gouged by these people. No action was taken at that time. The Opposition I believe felt that it was an unfair situation that had developed in the past. I think in fairness the Government's long delay in acting in this particular problem certainly does not deserve credit. I will have more to say and beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 9:24 o'clock p.m.