

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Eighteenth Legislature
20th Day

Friday, March 18, 1977.

The Assembly met at 10:00 o'clock a.m.
On the Orders of the Day.

INTRODUCTION OF GUESTS

MR. L.E. JOHNSON (Turtleford): — Mr. Speaker, I wish to take this opportunity to introduce to you and through you to the House, 25 members of a community awareness group from Debden, accompanied by Mr. Peter Bishop, Shirley Marchuk and Marie Gerow. They are touring here in Regina and at the Buildings until dinner time and I expect to meet with this group in the rotunda at 11:00 o'clock.

HON. MEMBERS: Hear, hear!

QUESTIONS

MEMO RE NATIVE ISSUES IN SASKATCHEWAN

MR. E.C. MALONE (Leader of the Opposition): — I should like to direct a question to the Premier. I have given a copy of a Government of Saskatchewan Department memo, dated August 20, 1976, to the Premier, although I am sure that he hasn't had time to read it in detail. If you will just bear with me for one moment, Mr. Speaker, the memo deals with native issues in Saskatchewan and if I can have your permission, I should like to just quote a couple of brief excerpts from it. The memo is, to say the least, a damning indictment of existing social programs - provincial and federal programs - for native people in this province.

The first page of the memo indicates that if the conditions that are presently in effect as of 1976 continue, violence could be a likely outcome. It goes on to say that the gap between the living standards of non-natives and natives is increasing; that violence, as a cause of death with natives, is one in five and the usual rate is one in 25; that 60 per cent of native children are behind their proper grade in school; by 1985 the Department of Social Services expects three quarters of the children in its care to be native and it concludes that programs directed at native people, in general, have not been successful and the future outlook is for increasing problems.

The memo is some 15 pages long and refers to certain statistics that were obtained by the Planning and Research Department of the Executive Council and is signed by Mr. Kenneth A. Severson, Director of Social Economic Policy.

My first question to the Premier is, this memo is dated as of August 20, 1976, since that time Mr. Premier has your Government done anything to alleviate some of the problems that are referred to in this memo and if so, could you tell us what those things are?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I think that the answer is Yes, but nothing that is likely to have any spectacular results or perhaps any effect at all. As the memo also says, native problems have been growing steadily for over 400 years and I think this is the context in which the memorandum is written. It was written to the department heads of government agencies urging them to examine all of their problems and all of their programs in the light of our very real problems in dealing with native-white relationships in Saskatchewan. It was an effort to alert every senior public servant to these problems and to the fact that he or she has a responsibility to shape and direct his or her programs to the alleviation of these problems.

We have had a number of discussions between the Cabinet, members of the Saskatchewan Federation of Indians, and other persons representing native groups. We have continued to direct programs, with respect to native groups in northern Saskatchewan, where we think we are having some success. We have opened new schools at Ile-a-La-Crosse, which are very different from previous schools. We are working with native people to get their own schools, since that seems to be their desire, on reserves like the Thunderchild Reserve and the one at Stanley Mission. We are assisting them in many of the very active and apparently successful programs which are being operated on some reserves; for instance the Sturgeon Lake Reserve. We are giving some support there, though it is primarily a federal program. There is a great deal of economic activity and it is having a great social impact.

None of these programs, I think, is an answer, or even a partial answer. Each only contributes in a tiny way to the solution of our problem, which I recognize is a very difficult problem and one which has not been solved by our Government or by any preceding government.

MR. MALONE: — Mr. Speaker, I should have said at the outset that this memo came into my hands not through any member of the Planning and Research Council or through any government official.

Would the Premier not agree with me, though, that the memo goes far more than just edifying problems that we are aware of, or should have been aware of, and really, the inference from the memo is that we are almost reaching a situation of crisis proportions, particularly in urban areas, which have had an explosion in their population of native people? And in view of this would the Premier give me some indication as to whether or not the Government is prepared to take extraordinary measures or extra steps to avert a possible crisis and avert the possible violence referred to in the memo?

MR. BLAKENEY: — I think we are certainly prepared to take extraordinary measures. We are not at all sure what the extraordinary measures should be. Nor, I suspect, is anyone else aware of what the extraordinary measures should be to alleviate the problems arising from a major shift of native people, from a reserve or a rural setting, to an urban setting. We are in the process of funding a group which is being sponsored by the Federation of Saskatchewan Indians to deal specifically with problems of urban Indians. I don't know whether success will greet our efforts, but efforts are being made along this line.

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I think it is important to note that the basic problem is one of allowing Indian or native people and white people to live side by side. And it is not possible really, to set up a program solely for Indian or native education. If the schools in Regina do not provide education for all of the students who attend, for whom they are designed to provide service, whether they be white middle-class, white working-class, or Métis or Indian, then that is a failure of the school system. I am not saying this about the Board of Education in Regina; I am saying this about our entire school system. What is particularly not needed is a program to deal with native education; we need rather, a plan to deal with our entire educational system, to make it responsive to the needs of all its clientele.

MR. MALONE: — Mr. Speaker, a supplementary. Nobody, of course, can pretend that there is an easy solution to this problem. As was pointed out in the memo, it is something that has gone on for 400 years, but I am a little distressed to hear the Premier try to shift the blame towards the school systems in Regina or anywhere else.

May I ask the Premier, are you prepared to establish a separate department of government, as the late Premier Thatcher did, to deal with native affairs and native problems? An attempt was made at that time to come to grips with those problems, whether it was successful or not I don't know, but the attempt was made. I suggest to you that one of the priorities of your Government should be to be concerned with what could be 14 per cent of the population by 1985 and to deal with those problems that are unique to those people. One of the ways of doing so would be to set up a special department to care for those problems.

MR. BLAKENEY: — Mr. Speaker, may I give a couple of answers to that.

First, I am sorry that the Hon. Member misunderstood - and I am being charitable - my remarks with respect to the school system in Regina. I was merely attempting to illustrate that the urban problem is one that cannot be segregated into native and non-native. It is not a native problem, it is not a white problem, it is a problem of natives and whites living together. It is chimerical to suggest that you can set up any agency to deal with the native problem. There is an important aspect of the problem which concerns white people and our ability to relate to native people.

When we came to office the Indian organizations and the native organizations, both the Federation of Saskatchewan Indians and the Métis Society, asked us to dismantle the Department of Indian and Métis Affairs. I think they did so for two reasons. Firstly; they felt that the federal Department of Indian Affairs had not been a success. Over time it had served only to segregate the Indian from the mainstream of life and had not served to equip him to deal with all the problems he faced in normal society. Secondly, they felt that, inevitably, separation and segregation leads to discrimination. Separate but equal has been a doctrine which has been rejected in the United States because it has been found to be unsuccessful. I think the whole thrust of this memorandum was that it is not possible to set up an agency to deal with the problems of Indian help and Indian education, because such an agency would make the

people who ordinarily deal with educational problems feel that they have no special responsibility to deal with this particular clientele.

That is the problem. The solution proposed is one which will not work and which we do not, at least at this stage of the game, propose to pursue.

SOME HON. MEMBERS: Hear, hear!

DELEGATION TO FRANCE

MR. E.F.A. MERCHANT (Regina Wascana): — I wonder if I might direct a question to the Minister in charge of the Potash Corporation of Saskatchewan.

I wonder if the Minister would, first, confirm that it is the intention of the Potash Corporation of Saskatchewan to send a delegation to France in the first week of April to negotiate for the purchase of Alwinal and I wonder if the Minister would indicate who will be going on behalf of the taxpayers of Saskatchewan, when the meetings will be held, where they will be held in France and whether the Minister himself intends to take part in those negotiations?

HON. E. COWLEY (Minister in charge of Potash Corporation): — Mr. Speaker, the Potash Corporation of Saskatchewan will be entering into discussions with the people from Alwinal. I believe the dates are sometime in early April. The delegation, as I understand, will be made up of two people from the Potash Corporation of Saskatchewan, Mr. Dombowsky and Mr. Peter Gundy, the Vice-president of Finance, will be going there to put our position before them. I think I have covered the questions. I am not sure of the location of where they are meeting, in the offices of either the French or the German partner, I would expect. We would go to them to put our position before them.

I answer the Member's question even though I know that the next thing that will happen is that the first day they are there and from then on, the press will be asking when we are going to announce the decision. I don't expect any final decisions will be arrived at in the first meeting where, in effect, we will be putting our position to them. I would expect that perhaps subsequent meetings will follow once we have put our position to them, to the owners in Europe.

MR. MERCHANT: — A supplementary, Mr. Speaker. I wonder then if the Minister could indicate whether negotiations are going on for any other mine or would we be fair in assuming that Alwinal is next on the chopping block and that you are devoting your full kind attentions to the Alwinal takeover?

MR. COWLEY: — Mr. Speaker, all I can say is what I have publicly said several times before. We have completed an evaluation of Alwinal, we are now prepared to talk to them. We are still doing the evaluations of two other mines, Allan and Central Canada Potash. We have not completed the evaluation there and so we have not entered into what one might call negotiations.

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MR. MERCHANT: — A supplementary, Mr. Speaker. In the last two purchases, for Duval and then Sylvite, there was an increasing price paid notwithstanding the fact that production levels are approximately the same. In this case, the Alwinal case, production levels are much lower. Will the purchase price, and I know that the Minister can't indicate the valuation that the Government has anticipated, be based on the Duval formula, if I may put it that way, or will it be based on the Sylvite formula? Does the Minister, in short, consider that Alwinal is a technically better mine than Duval? Is it technically a better mine in the class of the Sylvite mine?

MR. COWLEY: — Mr. Speaker, I just want to inform the Member that the formulas are the same with respect to Duval and Sylvite. The evaluators, who did the evaluation for the Potash Corporation of Saskatchewan, were the same. The negotiations were carried out by basically the same group of people and I would expect a similar formula to be applied, if you want to call it a formula or a similar technique, to be applied with respect to Alwinal. I don't want the Member to take from that that we will necessarily pay more or less than Duval if we were to acquire the Alwinal mine. Obviously, rated capacities and actual sustainable capacities sometimes are two different things; operating costs, although you have similar capacities, can be different. All of these things affect value. And so to just look at rated capacities and say, it is the same size, therefore it should be the same or a different value, I think, is oversimplifying it.

DATE OF REGISTERING VEHICLES

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I should like to direct a question, several questions, to the Minister in charge of SGIO.

A number of phone calls, yesterday and again this morning, from some very irate people has prompted me, Mr. Minister, to ask this question.

As you know, when the registrations went out for vehicles the applicants were to check off the month of their choice. The question that I have for you comes from a phone call I received this morning where one family farm had eight vehicles to register. They selected the months of their choice and now the applications for the eight vehicles have been spread over a period of ten months. Would the Minister not agree that this is a degree, a great degree, of inconvenience to the farmer getting his vehicles registered?

HON. E. WHELAN (Minister of Consumer Affairs): — Mr. Speaker, I am not aware of the person's name or of the details, but if you give me the name of the individual we will check it out and we will find out what the situation is and see if we can rectify it.

MR. BAILEY: — Mr. Speaker, I would be very pleased to give the Minister the names of several people as well as these people. I should like you to answer this question. These people have phoned directly to the Licensing Branch and they have been told - and I would suggest that somebody has made a mistake, but I

would like your comments - that in order to get these changed so they would all be in the same month, there could be a charge levied against them. Is there any truth to that statement?

MR. WHELAN: — . . . to that, I doubt it.

MR. KRAMER: — Mr. Speaker, on a Point of Order.

MR. SPEAKER: — Order, order! I noticed at the beginning of the Question Period today we are verging very close to being out of order because of the debatable nature of the question and the answer. I think the Member has got the gist of what the Minister said and he will take it under consideration. I realize that the Member has asked a supplementary with regard to that and I give the Minister an opportunity to answer.

MR. WHELAN: — Mr. Speaker, I am sure all Members will realize when jurisdictions have made this change there has always been a great deal of difficulty and I can quote, even Ontario if you like, and Manitoba and I can tell you some of the confusion that arose and some of the things that have happened. As a result of these problems, I think you can guess that I have had a few telephone calls. I think that every time we get a telephone call we take it under consideration. We look into it and we have corrected some of the procedures that are taking place. There have been some mistakes made. We are trying to funnel through something like 500,000 operators' licences and something like 719,000 vehicle licences and spread them over 12 months and funnel them through in a short period of time; it is not an easy task. We are also putting together the business of birthday dates for insurance and vehicle licensing. It is a tremendous apparatus and some of the people that are working on it are part-time people. They are doing a tremendous job under difficult circumstances. I think we have to bear with them. We are going to try to correct some of the mistakes. I am glad that you have brought them to my attention.

MR. SPEAKER: — Order, order! I think you are being repetitious now. Member for Souris-Cannington.

RAT CONTROL IN SASKATCHEWAN

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, a question to the Minister of Agriculture. This question has been asked in this House before, but it is becoming more and more emergent. It has to do with rat control in Saskatchewan. I have here a page from the SARM submission to the Cabinet, a resolution from the SARM as it relates to rats, an article from the Leader-Post in Regina as it is acting on its rat problems, a letter from the Health Department in Regina as it relates to rats. The question, Mr. Minister is, will this province get into a rat eradication program after all this has been put before them?

HON. E. KAEDING (Minister of Agriculture): — Mr. Speaker, there are facilities available now for municipalities to undertake a rat control program. Many of the municipalities have done that. Many of them are not prepared to

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do it and haven't taken advantage of the facilities that are available to them. We keep hearing about local autonomy; this is one of the things that municipalities can do for themselves with some assistance from our Department which we have available for them. If they haven't chosen to do that, I don't think they should come back to us. We set up, with their support, a good warble control program. But they had to undertake some of the responsibility and they did that. If they want to do the same thing with rats, we are prepared to work with them.

MR. BERNTSON: — Mr. Speaker, the resolution from the SARM is just to cover that situation. It asks that the Department of Agriculture co-ordinate a program for one municipality or one RM to get into a program and another one not to get into a program - that is just ridiculous. Will the Government now co-ordinate a rat eradication program and eliminate the chuckling that comes out of this House every time we ask this question?

MR. KAEDING: — Yes, Mr. Speaker, our staff is working to that end. And we are attempting to work from the West to the East and we are hoping we can get the co-operation of the municipalities to do that. We are certainly trying to do that.

REMUNERATION TO AGENTS TO FILL OUT REGISTRATION FORMS

MISS L. CLIFFORD (Wilkie): — Mr. Speaker, I would like to ask a question of the Minister for the SGIO again, because it does concern the farmers. Are you aware of the forms that are required for this new licensing process and, at the same time, are you aware that it takes about 30 letter and number combinations to fill them out and instead of one hour of time, it takes two and one-half hours of time to do this, and finally are you giving the agents some compensation for the extra time that they have to spend filling out these forms?

MR. WHELAN: — In answer to the Hon. Member's question, the forms that I think you are referring to are forms that are requested by the Highway Traffic Board. It doesn't come under my jurisdiction. I think the Highway Traffic Board is trying to sort out the use of vehicles by a system for licensing. They are asking a number of questions drafted by the chairman of the Highway Traffic Board. The other day an answer to this sort of thing was given in the House, setting out clearly the reason for this, I don't know if you were in the House. As far as extra compensation is concerned, I am not aware of extra compensation being paid for the licence issuers, but the form is being requested by the Highway Traffic Board for a specific purpose.

MISS CLIFFORD: — Supplementary question Mr. Speaker. Are you then aware that it has been mentioned that if a person has applied for a renewal in a certain month and if he happens to have them scattered over a number of months, if he has more than one vehicle which is often the case in the rural area, if he wants it changed, are you aware that it is going to cost him 18 per cent of the licence fee to have them changed to a different month?

MR. WHELAN: — No, and I don't think that is true.

MISS CLIFFORD: — What did he say?

MR. WHELAN: — No, I don't think that is true.

MISS CLIFFORD: — A supplementary, Mr. Speaker. I would ask the Minister if he would check into this because your office is telling your agents, the SGIO agents or anyone who is renewing licences, that this is the case. Where the discrepancy arose was that last year, for the Minister's information, it said that if you would like to renew them for a different time then do so. If the space was left blank because they didn't know what implications it would have, and they are running into this problem, your office is now saying that it is going to cost 18 per cent of the licence fee. Would the Minister please agree to look into this and as well eliminate any discrepancies that have been causing the people of Saskatchewan and the agents much difficulty?

MR. WHELAN: — Mr. Speaker, I think that this is a tremendous shift in the operation of the whole licencing system. It was to be expected that there would be need to correct some of the things that are being said and some of the things that are happening. I promise you that eventually it will be rectified. I am sure you will get telephone calls, every Member of the Legislature will get telephone calls. The people that are working on it are sincere people that are doing their level best and in the end, it will be as satisfactory a system as we have in any other jurisdiction of this country.

FEDERAL DEPARTMENT OF INDIAN AFFAIRS

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, a question to the Premier. Would the Premier agree that the plight of our native people in Saskatchewan, to a large extent, is the responsibility of that bureaucratic monster, the federal Department of Indian Affairs?

MR. SPEAKER: — Order! The Member for Prince Albert-Duck Lake.

GOVERNMENT NEGOTIATING WITH DELTA HOLDINGS LIMITED

MR. G.N. WIPF (Prince Albert-Duck Lake): — Mr. Speaker, a question to the Minister responsible for the DNS. Is your Department or the Government or any agent of your Department or Government currently negotiating with Delta Holdings Limited with a view of purchasing the properties of this company in La Ronge?

HON. G.R. BOWERMAN (Minister of Northern Saskatchewan): — No.

MR. WIPF: — Supplementary, Mr. Speaker. Could you tell me why the DNS has been doing appraisal work on these properties?

MR. BOWERMAN: — Well, the first question you ask is whether we are negotiating; the second one you ask is whether an appraisal had been done. Appraisals have been done on the Delta Holdings property in La Ronge, but no negotiations have taken place.

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MR. WIPF: — Final supplementary, Mr. Speaker. Can you tell me why these appraisals have been done?

MR. BOWERMAN: — For an evaluation.

SOME HON. MEMBERS: Hear, hear!

EXTRA INCENTIVES TO OIL COMPANIES

MR. R.A. LARTER (Estevan): — Mr. Speaker, a question to the Minister in charge of Mineral Resources. Mr. Minister it is a proven fact that tertiary recovery in the oil fields, other than water flood, economically prolongs the life of an oil field for a considerable time. Is this Government offering extra incentives or concessions to companies to carry out this gas or chemical injection process at the present time?

HON. J.R. MESSER (Minister of Mineral Resources): — I don't know whether we are at the stage now of offering extra or additional incentives but certainly that situation is being discussed with officials of the Department of Mineral Resources, in view of increasing the activity for the extraction of oil in the province.

MR. LARTER: — Supplementary, Mr. Speaker. Is the Minister aware that Gulf Oil, at the present time, has a four well project, an experimental project on the go at Wilmar? I wonder if the Government is participating in that or watching that? It is a CO₂ injection, I understand.

MR. MESSER: — I met with officials of Gulf Oil some weeks ago. They, in layman's terms, conveyed to me the experimental project that you mention. I do not know what the relationship, on an ongoing basis, is between Gulf Oil and the Department.

ADJOURNED DEBATES

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Smishek (Minister of Finance) that this Assembly do now resolve itself into a Committee of Finance and the amendment thereto proposed by Mr. Thatcher.

MR. P.P. MOSTOWAY (Saskatoon Centre): — I see the Hon. Members have asked me to be nice. Yes, I shall continue to be nice, in the usual manner. The only thing that I shall do today, Hon. Members opposite and Members on this side, is to tell the truth. It may be rather embarrassing for some and I shall endeavor to, as I have done in the past, tell the truth.

SOME HON. MEMBERS: Hear, hear!

MR. MOSTOWAY: — Mr. Speaker, it is with pride that I rise to participate in this Debate on a Budget which is geared to meet the needs of the citizens that it affects. Therefore, I feel that I must congratulate the Minister of Finance on a job well done.

SOME HON. MEMBERS: Hear, hear!

MR. MOSTOWAY: — Before I go on, Mr. Speaker, I want to congratulate the two newly elected Members of this House who, I am sure, in their golden years, will regard their election to this Legislature as but a brief visit.

At this time I also wish to thank the citizens of the Saskatoon Centre constituency for making my role as their MLA stimulating and interesting. I note that some Members are laughing. Does this disturb you that some MLAs may find it interesting and stimulating? I hear no comment, so I assume that they feel it isn't stimulating and interesting.

Mr. Speaker, much criticism has been heaped on this Government by Liberal and Tory Members opposite, who, as many know, owe their first allegiance to giant concerns which do not serve the best interest of the citizens of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. MOSTOWAY: — Now, I do not deny Conservative and Liberal Members opposite the right to side with, for example, Imperial Oil, in this House, nor do I deny Conservatives and Liberals the right to receive large donations from Canada's banks and corporations. But I do deny them the right to pretend that they speak for the best interests of our citizens.

Mr. Speaker, Opposition Members cannot serve two masters. Sooner or later the public must find out whom they serve, and I challenge every Member on this side of the House to help the public find out, that if they are financed by big business, they must cater to them first and foremost, at the expense of the citizens of Saskatchewan.

The other day the Leader of the Conservative Party (Mr. Collver), who, as usual is not in his seat, was traipsing around the country. The other day he made reference to the recent by-election in Saskatoon Sutherland. Now, he told Members in this House that in campaigning, 'I laid my reputation on the line.' Well, when he mentioned the word reputation, I realized that he made another one of his 'faux pas'. I say this because I thought he would be the last person in this august Chamber to use that particular word.

Now, Mr. Speaker, I am not ashamed of my reputation, and that is why I worked hard in the recent by-election. Further to this, Mr. Speaker, I would venture to say that if a politician did not want his reputation put on the line, he would not have campaigned in the by-election. It is with extreme regret that I must tell Members of this House that the Conservative Leader did not, to my knowledge, campaign in the recent by-election in Saskatoon. Was it because he was ill, or was he too busy with other pressing matters? Was he afraid to lay his reputation on the line? Gentlemen and lady, I leave you to draw your own conclusion on a man who, on more than one occasion, has openly stated in the Saskatoon area, "I am the Conservative Party," and if he be the Conservative Party of Saskatchewan, I then must ask the remaining Conservative MLAs if they accept his divine right of kings theory whereby they must never question him . . .

AN HON. MEMBER They don't.

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MR. MOSTOWAY They don't, a Member says. Whereby, they must never have input in decision making, and whereby, they might want to challenge his leadership but cannot for fear of incurring his wrath and, consequently, the wrath of those large concerns that use him as a front.

Mr. Speaker, I know dissension in the Conservative Party is gradually building up, and it is with this in mind, that I now congratulate the soon-to-be new Leader of the Conservative Party, whoever he may be.

Mr. Speaker, the other day I was almost jolted out of my chair when one Conservative Member suggested a \$10 a day charge on patients in our hospitals.

AN HON. MEMBER: — That's their policy.

MR. MOSTOWAY: — Oh yes, that is their policy. That's the one platform they have in their policy of 'do nothingness'. Well, I want to say that I wholeheartedly disagree with this Conservative stand, even though I appreciate the fact that a \$10 a day charge to them may seem insignificant. If this is the Conservative Party's answer to dramatically rising hospital care costs, I shudder to think what will happen should they ever form the government. And, if, as one Conservative Member subtly suggested yesterday, the Conservative Party advocates the abolition of school units as they now exist, I shudder to think what is in store for school boards, students and teachers. Will it be a return to the '30s when minority and religious groups were suppressed - an era that many still remember - the old Ku Klux Klan cross burning era of which you fellows are certainly aware?

Mr. Speaker, Conservatives speak much on something the New Democratic Party has always believed in and that is law and order. They speak of it as if they will mix up a batch of it, if by some accident they were ever to be given the opportunity to form the government.

All Saskatchewan citizens want law and order, as do the citizens of all the rest of Canada. Just wanting it, will not bring it about. We must all, as individuals and as a collective group, strive for it. It is here that I must make reference to Conservative Ontario and what was, only a short while ago, Liberal Quebec, and the United States, those great bastions of private enterprise which the Conservative Party believes is the only route to go.

Mr. Speaker, we all know only too well that in these areas which I have just mentioned, in these areas of complete private enterprise, law and order has all but disappeared. It has been replaced by fear, by rape, by assault, by murderers, by arsonists, by muggers, by high fences, by guard dogs and closed iron doors. Mr. Speaker, the law and order which we in Saskatchewan want to preserve, will not be preserved by a political party which advocates a free-wheeling society with no controls on those who would wish to exploit it.

I believe, with all the sincerity that I can muster, that the Conservative and Liberal permissiveness, as advocated by them in this House, will only erode the law and order we have in this part of Canada. It will erode the basic unit of our society, the family, and when this unit is helped to disintegrate, we are going to be in deep trouble.

Mr. Speaker, I know I speak for all New Democrats on this side of the House when I say we believe, not in a free-wheeling society, but in a society with reasonable government involvement. The kind of involvement which helps to preserve family life and not destroy it. And I maintain that the kind of family life one has in any particular area is really a reflection or an outcome of the kind of economic climate that particular area has.

Mr. Speaker, I wish to turn my attention to an area of great concern to many citizens of Saskatoon Centre constituency, and that is the area of rent control. How some large landlords have been trying to beat the system, even though these same landlords are receiving reasonable returns, is a story that would put even the most hardened to shame. I receive many letters and telephone calls in this regard. Why, only yesterday I received calls from two people in one large apartment in Saskatoon. One is a young mother, a victim of a marriage break-up, and her two very young boys. At any rate, her landlord has given her 30 days notice to vacate her apartment. Now I fully realize this woman who, incidentally, is a good homemaker, cannot be forced to vacate, thanks to rent control, but the strain on her is almost unbearable. She has done no wrong. All she did was request the return of illegal overpayments made to her landlord who, I presume, in a rage, decided to teach her a lesson. Therefore, it is with this in mind, that I say I will continue to press for changes in rent control legislation and/or regulations to facilitate justice to those wronged, be they tenants or landlords. But, Mr. Speaker, I can't help but recall the Conservative position on rent control. You may recall that party, the Conservative Party, advocated court involvement in the settling of landlord/tenant disputes. And it is here again that the Tory position comes through loud and clear - no government involvement, but high priced lawyer involvement, which has always been out of reach for the vast majority of our citizens. Is this what Conservatives opposite want, a free-wheeling society where the rich can purchase justice, but the poor cannot?

Mr. Speaker, I want to go on to another topic - consumer affairs. Now, I know that Liberals and Conservatives opposite have never seen the need for government action in this area, action which helps and protects our citizens from shyster business concerns and unscrupulous individuals. But I say more government involvement is wanted by our citizens in the area of consumer affairs. I say in this area, our citizens do not want a free-wheeling, do nothing policy to which Liberal and Conservative Members are committed.

Mr. Speaker, more consumer protection is needed to protect the elderly, workers and homemakers. Let us not back down to Liberal and Conservative demands in this area. The kind of free-wheeling society they envisage, a society without adequate consumer protection, will not wash down well with the citizens of Saskatchewan.

You may well wonder why I have been telling the truth about Members opposite, especially Conservatives. Well, I shall tell you. It is because having been born and brought up in Saskatchewan I love it with all my heart and soul, every bit of it. I can't bear to think that all the things that we have worked for and sacrificed for in the past may go down the drain. I can't bear to think that our way of life might be in jeopardy. We are not Albertans, nor Manitobans. We are a unique people who must not allow our destiny to be put into the hands of a man whose

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sole purpose at this time is to achieve power, power at any cost - a desire for absolute power sheathed by pious phrases which are meant to hoodwink the public.

Mr. Speaker, there are also a few other items on which I should like to spend just a few minutes. One is in relation to the newly announced tax on vehicle fuel. Even though the provincial tax on vehicle fuel is still the second lowest in Canada, and even though it is now at the same level it was when our party formed the Government in 1971, I would ask that some sort of special consideration be given to our larger urban centres, like Saskatoon, centres which provide public transportation. I say this because public transportation has always needed to be subsidized by the municipal and provincial governments of Saskatchewan. I ask for this special consideration because I believe we must make every effort possible to have our citizens utilize public transportation to a greater extent, as opposed to the use of private passenger vehicles, which, for the most part, help to use up our supply of fossil fuels. So it is with this in mind that I ask, and have asked, and will continue to ask the Ministers directly involved, to think in terms of some sort of adjustment in this area on which I have just spoken.

Mr. Speaker, I want also to go on record as opposing the Liberal and Conservative united stand on housing in Canada - a policy of non-interference, a policy geared to generate tremendous profits to land speculators and some construction contractors. I find it incredible that these two parties continue to spout the same monotonous no-policy, and that is one of nonintervention. I see the hon. gentleman over opposite is shaking his head. Somebody said they thought they heard a noise. At any rate, I have always advocated massive federal intervention in the area of housing. To me the Federal Government must force our large financial institutions to provide mortgages at reasonable rates to home buyers. I see the Hon. Conservative Member opposite laughs. He thinks it's a big joke. "So what," he says to himself, "so what if a young couple have to mortgage their souls to the tune of \$200,000." Laugh, but I say you will be laughed at eventually. Why should not mortgage rates be given to potential home buyers at reasonable rates? Why not, when one considers the tremendous profits that these financial institutions are receiving?

AN HON. MEMBER: — . . . teachers.

MR. MOSTOWAY: — You mention teachers, Hon. Member. Would you care to repeat that? No comment. Well I'll be jiggered. I wonder why no comment. Or are home buyers to be asked to continue to be fleeced, to literally sell their souls to these institutions in order to put roofs over their heads and the heads of their children?

Mr. Speaker, I have other concerns on which I should like to talk; however, I shall not do so at this time due to a schedule which will have other enlightening speakers speak. But I just want to make a few remarks on some of the speeches given by the Members opposite over the past few days. In particular, I want to refer to a speech read last night by the Conservative Member for Moosomin (Mr. Birkbeck). His foolish prattle on cows, bulls, and you name it, last night, was a disservice to the people whom he will not be representing after the next election. Mr. Speaker, I want to go on record as

saying that I am sure all Members, with the exception of that Member, felt a little ashamed last night at the nonsense, at the drivel that came out of that Hon. Member's mouth.

Mr. Speaker, my time is up. I want to inform you that I will certainly not be supporting the frivolous amendment put forward by Members opposite, but I certainly will be supporting the main Motion. I fully endorse the Budget.

SOME HON. MEMBERS: Hear, hear!

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Speaker, I am pleased to have the opportunity at this time to enter the Budget Debate. Not only am I pleased, but I am enthusiastic and proud, because I speak to a responsible Budget, a Budget that is in tune with the times. I join with my colleagues in offering my congratulations to the Minister of Finance for the contents and delivery of his Budget Address a week ago.

SOME HON. MEMBERS: Hear, hear!

MR. VICKAR: — I would also like, at this time, to congratulate the two new Members who were elected to the Progressive Conservative side of this Legislative Assembly.

Mr. Speaker, today I wish to concentrate my remarks on the Department of Industry and Commerce and the Saskatchewan Economic Development Corporation. But before I begin those remarks, I should like to say a few words about some people that I am very proud to represent, and those are the citizens of the constituency of Melfort.

The Melfort constituency, like the rest of the province, has enjoyed a prosperous 1976. It has been a year of growth and progress. Once again the prime agricultural land in this constituency produced a bountiful harvest. With all the talk of drought and water shortages in the province, we aren't quite as concerned in the Melfort constituency about the upcoming crop year, as are other parts of this province. We have had a fairly good snow cover that has been melting slowly.

Mr. Speaker, success and progress in 1976, was not restricted to the agricultural sector in the Melfort constituency. New construction for the town of Melfort reached a record high of \$8,895,953 in 1976. This includes 145 housing starts. A new provincial office building in the town of Melfort was completed in November, 1976 and officially opened in January of this year. Also in the town of Melfort, construction began on a 64 unit senior citizens' high-rise, and now another addition to that will make a total of 128 units erected in the town.

There has been extensive construction activity in other parts of the constituency as well. In the village of Spalding, 12 senior citizens' units are 75 per cent completed; ten family units have been completed in the town of Naicam, and more are on the way. As well as 14 senior citizens' units in the village of St. Brieux, four family units and six senior citizens' units are nearing completion in Star City, an urban area with a population of 500. More housing units are in the offing for St. Brieux and Annaheim.

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The constituency of Melfort can look forward to another year of progress and development. To cite just one example, the Recreational and Cultural Facilities Grant Program, through a \$825,000 grant, will assist the centre of Pleasantdale in the construction of a skating rink. Under the same program Star City will receive \$37,950 for the installation of artificial ice in its curling rink.

At this point I am reminded of the statement that the Member for Swift Current made yesterday when he suggested that the Government was not allotting enough for recreational purposes for that area. He suggested they do not have an indoor or outdoor swimming pool and they want one erected. I should like to remind the Member that the city of Swift Current, if it has a population of 10,000 at this point in time, should qualify for \$250,000 under this grant program which will give them that swimming pool if they so desire.

Mr. Speaker, I wish to make some other brief comments. Recently, my Government has been subjected to strong suggestions that we, in an unconcerned fashion, are spending money to buy potash mines while we cut back our spending in health care for our people. Such a suggestion is not only unfair, but it is outlandish. People have always been, people are, and people will continue to be the most valuable resource in this province, at least in the mind of this Government. They are our first priority and our spending on health care is one proof of that concern. Our spending estimates for the next year are indicative of our desire to continue to provide our citizens with one of the finest and most comprehensive health schemes in the world.

Mr. Speaker, I would now like to direct a few remarks to the activities and programs of the Department of Industry and Commerce. The year of 1976-77 was a period of dramatic change for this Department. I should like to relate to you some of the events of the past year, for they provide an important background to our plans for 1977-78. The year began with a full review of the objectives, policies, strategies and programs of the Department, which resulted in the publication of the Industrial Strategy Paper in May, 1976. This Strategy Paper outlines the broad development objectives of this Government and my Department. These objectives bear repeating. They include continuing the current upward trend in the Saskatchewan economy, providing quality jobs for new entrants to our work force and people returning to Saskatchewan, further diversifying the Saskatchewan economy in order to lessen our dependence on the unpredictable resource sectors, capitalizing on current strengths to increase resource processing within our province, realizing the full potential of Saskatchewan's manufacturing sector, and balancing our development in order to ensure an equitable distribution of employment and income opportunities within Saskatchewan.

Mr. Speaker, these are ambitious objectives, but we are confident that with the co-operation of the Saskatchewan business community, local governments and all the residents of this province, they can be achieved. The Strategy Paper also outlines the roles of the private and public sectors in the development of our economy. This Government views economic development as a co-operative effort between the two sectors with respective roles within our economic activities. Therefore certain ground rules must be set in order to develop a strong working relationship between the two sectors. Mr. Speaker, in my view, confusion over the rules of the game, other than political differences, is at the root of most conflicts between the public and private sectors.

These rules or guidelines have now been set through the Strategy Paper and other promising announcements by my Government. I should like to emphasize one aspect of our guidelines at this time. They clearly indicate the key role of the private sector in the initiation, financing and realization of projects in the manufacturing and processing sectors of our economy. The Saskatchewan Government regards this situation as both desirable and necessary. The role of my Department is to support the development of new industry in Saskatchewan and to existing industry so they will grow and prosper through technical assistance, business counselling and trade development initiatives. The Department's objectives, therefore, include both support to local business and to the encouragement of out-of-province manufacturing, investment and business on a selective scale.

One of the main purposes of the Strategy Paper was to open up a dialogue with the Saskatchewan private sector, community groups and all other residents regarding the future development of Saskatchewan. In this regard, it has been an immense success. The Paper has been the focal point for countless discussions in meetings held throughout Saskatchewan. As well, it has generated considerable interest from businesses and other groups outside of this province.

Mr. Speaker, over the past year the Department has made a significant stride in implementing this development strategy. These strides include the announcement of a Saskatchewan Foreign Investment Policy and the implementation of the Saskatchewan Mainstreet Development Pilot Project, and the Rural Community Business Retention Program. Most important the Industrial Strategy Paper provided the framework for a full review of the operations and organizations of the Department of Industry and Commerce by a departmental team.

In order to place this review in perspective, I should like to provide a little history. Over the past six years my Department has expanded dramatically both in terms of size and responsibilities. This expansion was made necessary by the long years of Liberal neglect of Saskatchewan's economic prospects. We have added many important programs and activities to the Department, including one of the most extensive business counselling services in Canada, including business representatives, in several small regional offices. We are also responsible for the Government's special assistance program including special ARDA and the Economic Development Program for the disadvantaged, and the Agent General's office in London.

As well, the Department of Industrial Development's efforts were greatly increased in line with this Government's goal of further diversifying Saskatchewan's economic base.

SOME HON. MEMBERS: Hear, hear!

MR. VICKAR: — Mr. Speaker, it should be noted that this expansion in departmental activities coincided with a period of record industrial growth in this province. From 1971-76, new manufacturing investment increased four-fold, the value of manufacturing shipments doubled and 7,000 new industrial jobs were added to our manufacturing sector. This success is a stark contrast to the dismal failures of those Liberal years. As much as we would like to, Mr. Speaker, my Department cannot take all the credit for this industrial growth, but at the same time it would be a mistake to minimize our importance and by that standard the

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Department of Industry and Commerce has been a relative success.

However, to achieve the newly established and ambitious goals of the Department, it was concluded that some important changes were required in the structure and operation of this Department. Under our new organization the main activities and functioning of the Department have been consolidated into three divisions. One is the business services, which is to be responsible for four business counselling and special assistance programs. These services are largely decentralized through our regional offices. The second is the industry and trade development which is to meet the objectives of developing new industry and to be responsible for major industrial and trade projects. The third is planning and communications which is to provide research, policy and communication support to the rest of the Department. These three divisions bring together the work of ten branches under the old structure.

This reorganization has resulted in a more streamlined structure for the Department, one that is efficient and businesslike; it allows us to provide the same level of service to the Saskatchewan business community and to the residents of this province with a fewer number of employees. In fact, my Department will be stepping up its efforts and increasing its services in order to implement our development strategy and to meet economic needs of this province.

Mr. Speaker, our economy remains strong and our long-term prospects are very bright indeed. Still there are a few short, soft spots on the horizon. With the expected decline in farm incomes, our economy over the next two years cannot be expected to grow as rapidly as it has in the recent past. Because of this Government's diversification efforts of the past five years, lower farm incomes will not lead to the recession conditions of the Liberal years of the late '60s. Still the current situation dramatically illustrates the necessity to further diversify our economic base. Mr. Speaker, the Department of Industry and Commerce is prepared to meet this challenge.

I should like to outline, now, some of the major initiatives of my Department over the next fiscal year. Work will accelerate on the Department's high priority sectors. Major emphasis will be placed on the iron and steel sector, on the development of an industrial fermentation complex and on agricultural processing. Many of the proposed firms in farm products are expected to be located in Saskatchewan's smaller centres. We will move forward under the Department's small community development strategy; the two main pillars of this strategy are the Business Retention Program and the Mainstreet Program. The latter is beginning its second year as a pilot project. If the results are favorable, it is expected to reach full program status in 1978-79. As well, the small community development strategy will include special initiatives designed to meet the specific needs and opportunities of different communities and regions in Saskatchewan. Soon we will be financing some small community work to be conducted jointly with the Saskatchewan Chamber of Commerce. This will involve a new approach to assisting small towns in Saskatchewan. Full details will be provided at the Chamber of Commerce Annual Convention at North Battleford in April. Discussions are now being held regarding similar initiatives for other communities in this province.

This strategy will involve a number of programs and

initiatives. This will allow maximum flexibility in order to meet the specific needs and opportunities of small towns in Saskatchewan. When brought together with our Government programs, the strategy will put our balance development approach into action. These initiatives will be especially crucial over the next two years. Our smaller towns are always the first to be hurt by a reduction in farm income. We will be stepping up our joint initiatives with both my Department and the federal Department of Regional Economic Expansion. One important outcome of the joint action is to ensure that federal development activity is consistent with the development objectives of this Government and the province.

The above represents only a tip of the iceberg of this Department's activities of 1977-78, Mr. Speaker. It will be a year full of challenge, but also, I trust, many accomplishments. Many of our initiatives will be innovative, experimental and at times even daring, but that is as it should be, for the year will demand no less.

Now, Mr. Speaker, a few remarks on the operation of the Saskatchewan Economic Development Corporation. Much to my regret some Hon. Members sitting opposite have chosen to invent a game that involves SEDCO. I don't know what the game is called and I don't know what the rules are, in fact, I am not even sure that it has rules. However, the game seems to have some rather interesting aspects. I guess it could be called moose hunting with a twist. It appears that to play the game you follow a moose around all year, for two or three years if you have to, then when the moose breaks a leg or something similar happens, the hunter yells, "Hunting season is open," and you start to shoot.

Mr. Speaker, when SEDCO is the target, the hunting licence becomes very, very expensive. And you know who pays the bills, not the hunter, but the people of Saskatchewan. They pay by way of lost investment in this province. Surely this is an unfair game and it is an unwarranted game. The fact of the matter is that SEDCO is a very successful Economic Development Corporation.

SOME HON. MEMBERS: Hear, hear!

MR. VICKAR: — It is one of the province's most important suppliers of business financing. SEDCO continues to play a major role in meeting the increased demands for capital funds by the private sector to finance new construction, machinery and equipment, in order to meet increased opportunities in recent years. Reflecting these increased demands, over 60 per cent of the number and nearly 60 per cent of the value of all SEDCO loans have been approved in just the last three and one-half years. Thus SEDCO's recent growth reflects the growing need for investment capital in this province. We are proud, as are all residents of Saskatchewan, that SEDCO is successfully responding to that need. SEDCO plays an important and effective role in encouraging and attracting out-of-province manufacturing, investment and expertise to Saskatchewan, as well as assisting and promoting the future growth of business already in the province. It continues to encourage balanced economic growth by making capital funds available and accessible to business outside of the major centres. SEDCO through the financing of the employment generating enterprises, continues to create and maintain a significant number of employment opportunities for the people coming into

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the province and the people already in this province. SEDCO's property and land development operations has been of major significance. Last August an 80 acre Industrial Research Park in Saskatoon was announced and the Prince Albert and North Regina Regional Industrial Parks have been developed to give only a few examples. All of these considerations have made SEDCO one of the most successful development corporations in Canada.

The people of Saskatchewan realize that, at times, SEDCO must take calculated risks if we are to successfully diversify the Saskatchewan economy. The failure of private financial institutions to accept these risks is the basis for the establishment and recent growth of SEDCO. Even with this, SEDCO has a financial record which compares favorably with any similar financing institutions in Canada.

Mr. Speaker, SEDCO and the Department of Industry and Commerce have served the people of this province well over the last year. They will be working together to meet the challenges and opportunities of the next year and the last third of this decade. Much remains to be done. However, our economic performance since 1971 indicates that economic diversification is no longer an empty phrase, it is now a living reality for the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. VICKAR: — Industry and Commerce and SEDCO will be at the forefront of realizing our diversification goals in the years ahead.

Mr. Speaker, with a record like this from my Department, which reflects the record of this Government, you can readily understand that I will be supporting the Motion.

SOME HON. MEMBERS: Hear, hear!

MR. N. H. MacAULEY (Cumberland): — Mr. Speaker, in rising to support the Budget, I wish to make the following comments. I welcome the two new Members who will quickly realize that there is more serious work to be done in this House than giving criticisms.

The Government of Saskatchewan is to be commended for maintaining a balanced economy in this province and for keeping unemployment at a low rate. Although we are criticized by the Opposition as far as employment is concerned, the present Government has demonstrated that we have been able to maintain low unemployment figures compared to other provinces, led by the Liberals and Conservatives and Social Credit.

Mr. Speaker, the majority of northern people cannot bear the rising prices of goods and services; the cost of transportation adds considerably to the heavy inflation in northern communities. It is time, not only for the Provincial Government, but for the Federal Government also, to take a hard look at this problem. It takes concerted effort to prevent further price increases in the North. I might mention that the commercial airlines have increased their rates considerably during the last year and this also affects the northern people.

Mr. Speaker, the railways are subsidized in the South, but the carriers in northern Saskatchewan are not subsidized. This

affects the commercial fishermen and tourist operators alike, and all the people that live in the north country.

However, may I bring to the attention of this House that never in the past history of northern Saskatchewan has anything been subsidized, apart from education, until the New Democratic Party subsidized the fishermen.

SOME HON. MEMBERS: hear, hear!

MR. MacAULEY: — No other party ever cared what happened in the North. I wish to commend the Government in this respect.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Mr. Speaker, I am particularly pleased that the minimum wage has increased from \$2.80 per hour to \$3 per hour effective January 1, 1977. This, no doubt, will affect the tourist guides and other northern workers, giving the workers a little more take-home pay to fight against the ever increasing prices in the North. The biggest percentage of northern people work in the low income bracket, particularly those of 40 years of age and over, who, through no fault of their own, are only educated at the grade eight level.

This particular problem arose because of the old line party which took no interest in education in the North. It was not until the 1940s that the CCF Government encouraged the start of better education facilities. At that time there were only scattered mission schools through the North.

Since 1973 the present Government established community colleges to help people qualify, by upgrading their education, for better paying job opportunities.

At this point I want to urge the people of northern Saskatchewan whether they may be Indian, Métis, or white, to take an interest in developing their own small operations rather than inviting the large multinational corporations to take large sections of the northern part of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — During the year of 1976-77 communications continued to improve in northern areas. Saskatchewan telephones have provided much improved services by installing phones at Deschambault Lake, Pelican Narrows, Sandy Bay, Wollaston Lake and Timber Bay. These were forgotten areas during other administrations.

Mr. Speaker, the subject of communications in the North is part of the history of the province now and it should be included in the school textbooks. Again I commend the Government for its efforts.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Indians not only in Saskatchewan but all over Canada have been looking forward to having their land claims settled. A great deal of work has been done regarding this Treaty land

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entitlement during the last year. To my knowledge this Government has co-operated to the utmost with the Indian people and the Federal Government to reach a satisfactory settlement. However, at the present time the Federal Government is marking time in the completion of this transfer, as they did in the 1800s, probably hoping that the problem will go away, but what a hope. There is a great deal more to be said about the situation and it will not be left alone while I am a Member of this House. I may say, it is a shame that the people, who by their ancestry were at one time the first citizens of this country, have spent years haggling, with no success, with government, to settle their land claims. The big multinational corporations have come from other countries, besides Canada, to lease large parcels of land at will.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Mr. Speaker, the area of resources is a constant concern of northern people. It is very evident that we must continue to train our young people to work in the conservation of our precious resources, our fisheries, forestry, tourism and minerals. As good highways are completed in the North, we can expect to see large numbers of tourists travelling further north, not only from Canada but also from the United States. We must be prepared when this happens. It has happened already at La Ronge. We should encourage the Federal Government to establish more ports of entry to this province to assist the fly-in-fishermen from the United States.

We are very much in need of more well-trained resource officers in the DNS area. But to my disappointment there has been no increase in personnel in this branch since I mentioned it in this House before. Mr. Speaker, the duties of a resource officer are many and vulnerable. They range from responsibilities to fisheries, wildlife, forestry, fire control, parks and recreation. Because the resource officers are located in remote areas they are frequently called upon to provide assistance to other branches of agencies and departments and local individuals and groups. In addition to this, these men are hampered by extreme fire hazards and reinforcements are ignored. Another important duty is to assist in the protecting of our forest fires. To carry out these complex duties we have only 36 resource officers in the whole of northern Saskatchewan.

The Opposition are always quick to criticize. I challenge them now to criticize and say that there are too many resource officers in the DNS area. In addition to the foregoing, the Indian and Métis people are used to dealing with these resource officers in the North and look to them for guidance and advice. What we really need is the doubling of the numbers of these resource officers in the North.

This year there will be a continuation of government policy of improving roads for the northern people. Highway No. 2 which extends to Wollaston Lake is paved within 15 miles of the town of La Ronge. This year those 15 miles will be completed. Except for La Ronge and Creighton, the town of La Ronge is the first community in northern Saskatchewan to have its main street paved and a sidewalk installed. Highway No. 106, south from Creighton, will continue to be improved this year. The two other roads from La Ronge to Stanley Mission and northwest to Pine House settlement will also receive attention this year.

Mr. Speaker, I am very pleased to hear that more housing is forthcoming for Indian people and Métis people for the North and the South. At the present time this is a must for these people. I hope to see more Indians and more Métis people train in community colleges to enable them, to help them, build their own homes.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Northern programs will continue to go ahead with the money provided for them in this Budget - the \$8.6 million grants for schools, up \$2 million over the current year. The \$4.6 million has been provided for the upgrading of educational facilities. The Municipal Services Program will expand to emphasize the development of local government. Six hundred thousand dollars will be provided for the first phase of a program for the development of recreational facilities in northern communities for the first time in the history of this province. Funds will be allocated to continue the installation of sewer and water services at Green Lake, La Ronge, Ile-a-La-Crosse, and the start of a system at Beauval. Also studies are under way at Denare Beach.

Going back to education facilities, we have already a school at Ile-a-La-Crosse and we are in the process of building a new school at La Ronge. We have the two best schools ever built in the North, comparable to any schools in the South.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Mr. Speaker, turning to another subject, I would like to remind the House that the geographical centre of the province is at the north end of Montreal Lake. The Northern Administration District starts north of Prince Albert and from there to the top of the province is called the North. So many times you hear the Opposition party call Saskatoon the North, I think Saskatoon is a little bit further south than that.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Mr. Speaker, in closing I must say that I remember the day when the old line parties were in the majority in the province and they ended up in the relief camps. I am very doubtful when I hear the word 'Conservative'. The last time they were in the majority in the province, it took a CCF government until the 1950s to put the province back on its feet and on the road to prosperity.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Mr. Speaker, let not the farmers and the workers of this province forget who cared for them when they had patches on their trousers, it is too soon to forget.

In the North we have noticed a vast change with the NDP Government in power. Looking back, we remember the shortage of schools with as many as 70 students to a classroom. There is a vast difference today with the present administration in the North. May I add, the school teachers should not forget that

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they are now allowed to have a representative. Before this Government came into existence there was no such thing, neither in the South or the North.

Finally, I want to say that I am proud to be a Canadian, but it distressed me very much when I learned that apparently some other Canadians do not feel the same way. Yes, I am proud that I am a descendant of the English, Scottish, French, Indian, German, Japanese, Chinese, Norwegian, Russian and so on. There has been no time in history when we need to pull together as Canadians, more than we do today.

SOME HON. MEMBERS: Hear, hear!

MR. MacAULEY: — Now is the time to say that we are Canadian. Let us show the world that Canada can overcome its difficulties. I should like to ask the Premiers of the provinces and the leaders of the Federal Government to work together for a common language for our country. Our neighbors to the south, over 200 million of them, have a common language; we should be able to accomplish the same. We cannot go on living in separate groups if we wish to preserve the great country of Canada for our children and their children. Thinking Canadian is the only way we will survive in this country.

Mr. Speaker, I join the other Members on this side of the House in supporting the Budget.

SOME HON. MEMBERS Hear, hear!

HON. R. ROMANOW (Attorney General): — Mr. Speaker, it is obvious that I have a considerable amount of pleasure and pride to be able to speak in this Debate, on this sixth Budget of the Blakeney Government. I believe this Budget to be a responsible Budget from a responsible Government.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — A Budget that is going to meet the needs of today and the considerable challenges that face this province and this country for tomorrow.

I think the Opposition knows this is a responsible and good Budget. Certainly all of the press comment related to the Budget has been, I think, on balance quite favorable to it. I think the Opposition knows it is a responsible Budget because they have been unable to mount any kind of an effective attack on the Budget. I think that has been partly because of the Budget and partly because of the Opposition, Mr. Speaker. But I think it is mainly because of the fact the Budget is, in my judgment, a responsible and good Budget.

I have said before that I have one ambition in life when I'm in government, and I'm confirmed in that ambition having listened to six days of debate from the Opposition side. People will know that it is traditional for the Opposition to move a motion of non-confidence in the Government at budget time. I want to say that having heard the inept arguments of the Opposition parties in this Budget Debate, one of these days I am going to find a way to move a motion of non-confidence in the Opposition parties. Because, Mr. Speaker, they certainly haven't been doing their job other than a job of criticism and negativism to the Legislature and the people of this province.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — We had a brand new Liberal Opposition finance critic, the Member for Thunder Creek (Mr. Thatcher). I think the Member for Thunder Creek will be acknowledged by all Members as a consistent and coherent political philosopher. Starting from the basic proposition, do away with the Government, he then proceeds to dissect the Budget.

The Conservative Party also has a budget critic who is not quite as new. He is an old hand at looking at budgets and criticizing budgets.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — He too is consistent. He works from the fundamental proposition that every budget is mismanaged. Members of this House, I ask you to analyze his debate in this Legislature. I ask you to analyze any speeches he has made outside the Legislature. There is one central theme that the Leader of the Conservative Party, Mr. Collver, maintains and that is this theme of mismanagement of funds. He seems to be preoccupied with that. So you can see, Mr. Speaker, that from their simplistic positions it is very difficult for the Opposition to take on the job of criticizing the Budget and, therefore, equally difficult for us to respond this last day of the Budget Debate to their criticisms.

The Liberals, I think, have a little more consistency to their criticism. We all know that they, like the Conservatives, are totally opposed to the resource policies of the Blakeney Government. That opposition to resource policies will mean that if they were in government, according to the Liberal financial critic, they would give back more money to the resource companies. That in effect means that \$300 million or more of resource revenue that the Blakeney Government has garnered to our Treasury would be given back by the Liberals and the Conservatives to the oil companies and to the potash companies. The Liberal financial critic says that the public service is too big, yet he doesn't tell us where he would cut the civil service and he doesn't tell us what programs he would eliminate. His colleague, the Liberal Member for Eastview (Mr. Penner), gives us a hint that they might do away with some of these frills, the frills of the Drug Plan, the frills of the SAIL Program (Aids to Independent Living) and the frills of the Hearing Aid Program. These are some of the ideas, I suppose, that the Liberals will look at in terms of trimming the civil service, if they should ever be in power.

Now, Mr. Speaker, a lot has been said in this Debate that the Government Party and the Liberal Opposition has been concentrating on the Conservative Opposition. Well I don't happen to agree, but everybody is entitled to his own individual opinions. What does become a bit of a preoccupation of mine is that the Conservative Party has, seemingly, absolutely no policy to offer to the Legislature or to the people of the Province of Saskatchewan. At least I thought that was the case until last night, when I was going through some old newspaper clippings to prepare for this speech today, and lo and behold, Mr. Speaker, I was very surprised to learn that the Conservatives apparently do indeed have a policy. At least one good thing came out of the by-elections of Prince Albert and Sutherland. That was a

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Prince Albert Daily Herald story and I want to quote from it. It quotes Mr. Collver and it says this:

Regarding Liberal accusations that his party has no policies, Mr. Collver says, our policy has been produced in a booklet one-half inch thick and decided upon by direct vote of our membership. These are expensive books, says Mr. Collver, but to anyone who wants them we will be happy to send them out.

Well, I say to the people of Saskatchewan, that if the Conservative Party should ever be elected to government that's not the only thing that is going to be expensive. But I want to say, Mr. Speaker, that I am still somewhat skeptical and, accordingly, I would like to formally ask the Leader of the Conservative Party today if he would be kind enough to send me a copy of one of those expensive books. I won't ask for two because I realize that that might jeopardize the Conservative Party finances until the next contribution from a major resource company, but I will ask, at least, that he give me one of those expensive booklets to dispel any lingering doubts that I or other Members of this House may have, that indeed the Tory Party has no consistent policy, other than a blind and dogmatic devotion to something called private enterprise and something called mismanagement.

You will forgive me if I am confused. On February 21 for example, in the Leader-Post, David MacDonald, the Conservative Member of Parliament says, according to the headline, "Public Resource Ownership Makes Sense to Eastern MP" and then four days later, according to the Star-Phoenix the headline says, "PC Urges Private Resource Development". So I hope that the Members of this House will forgive me, Mr. Speaker, if I am somewhat confused as to whether they are for public ownership or for private ownership in resources and maybe this very expensive, one-half inch thick booklet will really give me the answer to that particular question.

Now, Mr. Speaker, we also have a new Leader of the official Opposition, the Leader of the Liberal Party. And I want to congratulate the Member for Regina Lakeview (Mr. Malone): — on his election to Leader of the Opposition Party. I think that he will do a good job. I suppose that all politicians watched the Liberal leadership race with interest. It was a lively race, and I think a lot of that has to be due to the calibre of the candidate who ran against the winner, the Member for Regina Wascana (Mr. Merchant). The Liberal Party, in my judgment, has been suffering from one serious failing in the last several years in Saskatchewan politics; its preoccupation with destructive and negative comments about anything the New Democratic Party does. This is something that the Conservatives have picked on now, Mr. Speaker, and we find in the last several weeks the same doom and gloom, destructive, negative approach to everything that we propose. Now I am hopeful that under the new leader this will be turned around in the Liberal Party and that we will have in the Opposition parties of Saskatchewan at least one group which is advocating a coherent, consistent and positive approach to Saskatchewan politics. That is something which has been sadly lacking for quite some time.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — Now, Mr. Speaker, a central issue during the course of this Debate has been the resource policy of the Blakeney

Government, and I want to deal with that issue in a few minutes.

I want to first of all talk about something which is equally important to all Canadians and that is this question of Confederation in Canada. It is something that I am sure, after November 15 and the election results in Quebec, has led many Canadians to have somber thoughts about this country. We cannot afford a complacent or an 'I don't care attitude', something which we read about or sometimes even feel. After all, Confederation itself may be at stake in this debate that's before us. And I am concerned that some may view this challenge as a battle exclusively between Ottawa and Quebec. That just is not so. We are all involved. There are 11 governments, all equally involved, not just two. The outcome will not be determined by a test of force between Quebec and Ottawa. It can only be determined by all Canadians in all parts of Canada.

Now, Mr. Speaker, this country has lived with tensions, regional tensions and cultural tensions, I suppose, all of its existence. Some would say that those tensions are more heightened today. For example, in the region of the West, and in particular in Saskatchewan, we have a concern about resources as it relates to the constitution. In this province the people are being sued in at least five major lawsuits in the resource area by large multinational corporations. Nearly every one of these five major lawsuits is bringing into question a fundamental constitutional question about provincial rights or, what has been up to this time, the recognized provincial rights.

The Blakeney Government's policy on resources is clear. That policy stems from what we believe to have been our full legal and constitutional authorities under Confederation, as we have known it, with respect to the right to control and to manage and to tax our resources.

Now the Liberal Opposition say that we've approached this issue from a confrontation approach. That's the phrase used by the Leader of the Opposition. I say that that simply is untrue. We implemented our policy on what has been and what we still say is the traditionally accepted provincial powers. But I say that there have been confrontation type moves, but not from us.

Firstly, in May of 1974, the then Minister of Finance for Canada, said that the royalties that a company pays to a provincial government are no longer deductible by that company in the computation by that company of its federal income tax payable. The effect of that ruling was to upset years of long standing and understood taxing principles in divisions of powers as between the provinces and Canada. That was confrontation. We didn't do it.

Let me give you another example. Of these five lawsuits that I have been talking about, one is a lawsuit which we call Central Canada Potash. The central issue there relates to something called Potash Pro-ration Regulations. Now, Mr. Speaker, all people will know that we, that is to say the Blakeney Government, did not implement these Potash Pro-ration Regulations which were designed to deal with the disposition of a provincial resource. They were passed by the former government of the late Premier Ross Thatcher. Central Canada Potash has challenged the Potash Pro-ration Regulations. And what did the Federal Government do? It intervened as a co-plaintiff at the trial level in this case, allowing it, and it did, in fact, call evidence to be responsible for the carriage of the case, regulations which they

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had a part in approving and perusing back in 1969, now which they say are ultra-vires and unconstitutional. That, Mr. Speaker, is confrontation, but we didn't start it.

Now I'm not surprised, as a New Democrat, that the large multinational companies of this world have decided to take on the Blakeney Government in the resource policies. That does not surprise me. I'm not even surprised that the Conservatives and Liberals, politically, have sided with the multinational companies of this world in taking on the people of the province. That is not surprising. After all, our policies are designed to take money away from multinational corporations a little bit and put them back into the Treasury, so that we can use them for hospitals and schools and education or whatever. So I'm not surprised the companies would disapprove of that. But what I am surprised about and disappointed in, is that my Canadian Government stands against my Provincial Government and the people of this province.

Now as one can see there are obviously many strains in Confederation just by this story that I have told you about. My quarrel with the Trudeau Government has been that it views Canada with inflexibility - I think denying the regions of the country a chance to realize their goals as they see fit. I say that the regions can realize their own goals and still do it within the context of a strong and united Canada.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — Now speaking to the United States Congress a few weeks ago, in what I think was an excellent address, the Prime Minister of our country talked of accommodations and revisions to Confederation. Mr. Speaker, that gives me hope, hope that these issues, among others, will be resolved if that's what he means by accommodations and revisions. That gives me hope that in the future we won't see that kind of confrontation approach; that we can indeed compromise and come to terms with the aspirations of Saskatchewan and western Canada, consistent with a united and strong nation. And I want to say further, that whatever one feels about Prime Minister Trudeau and the Liberal Party at least we know his view of Confederation at this critical moment of Canadian history. But that is not the case with the Conservative Party of Canada, Mr. Speaker.

I say that the Conservative Party's position on Confederation is downright 'scarey.' Its policy of regional flexibility is so highly developed that it varies from region to region, so wildly, that one region does not know what another region is saying or doing on this principle of Canada. My concern is best summarized by quoting the Saskatoon Star-Phoenix, not particularly one of my favorite publications, Mr. Speaker, but I am going to read from an editorial dated February 14, 1977, about a month old. The headline reads, "PC Campaign in Quebec."

Last week Roche LaSalle, MP for Joliette and president of the PC's Quebec wing, apparently invited the support of the PQ in five forthcoming Quebec by-elections. While Mr. Clark later said that his party will try to win the seats without seeking the support of Rene Levesque, this does not appear to be a denial that the party will seek the support of PQ voters.

Mr. Speaker, what we have here is the president of the

Conservative Party in Quebec approaching the Parti Quebecois for the purpose of seeking votes in an election campaign in order to get the Progressive Conservatives to win Federal seats. Those words are 'scarey.' Every provincial government must deal with the Quebec Government as it is presently constituted, so long as that government comes to Confederation in conferences and takes part in the deliberations. I see nothing wrong with the leaders of the individual political parties talking to the Parti Quebecois. That, I think, is an attempt and a responsible attempt, to talk about Confederation. But what this story says is that for political purposes on a political basis, the PC campaign in Quebec involves itself by approaching the PQ in the sense of getting votes. And there is no denial that that involves the PC party; that they would seek this kind of direct political support.

Now, Mr. Speaker, I said that the Tory party is flexible, so flexible in one region against the other region, that they don't know what they are doing. This particular story about the PCs and the PQ in Quebec is contrasted with the Leader of the provincial Conservatives, Mr. Collver, who, the other day, suggested that force should be used to keep Quebec in Canada. Votes of Separatists in Quebec for the PCs were needed, but a different policy for Canada was otherwise needed. Mr. Speaker, this is equivocation; this is duplicity; this is contradiction; this is playing foot-loose with Confederation; this is putting Canada at stake and no major responsible political party should be allowed to do that.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — We have worked in close cooperation with the Premier of Alberta, Premier Lougheed. I believe we obviously don't agree on political philosophies, but this Government has worked well with him and I am shocked; I am disturbed when I read these kinds of stories. I could document them in the Globe and Mail, Roche LaSalle and the equivocal supposed denials that take place.

Now, Mr. Speaker, I have a lot of respect for John Diefenbaker and I am proud to say that I know him on more than, I think, a kind of casual basis. I have spoken to him about a number of matters. I think a lot of Members in this House have. I wonder what he must think about this fuzziness of the Conservative Party on Canada - this man who stood for a united Canada and was defeated by his very own party on that concept of a united Canada. According to one other story which I shall quote, the headline of January 19, 1977, says "Dief Unhappy over Clark's Leadership", and little wonder if that is the position that they are taking. The story says:

Mr. Diefenbaker says he is also concerned with the side of Mr. Clark he discovered after reading the 37 year old Conservative Leader's Master Thesis, written in 1971. In it Mr. Clark suggests that Mr. Diefenbaker did little to promote bilingualism during his years in office, a claim the former Prime Minister disputes, arguing that he first introduced French-English translations in the Commons in 1957.

So here is the federal Conservative Leader criticizing the past and in recent memory the Conservative Prime Minister saying that he did not have a sufficient understanding of the French-English problem on the one hand, and on the other hand through his agents talking to the Parti Quebecois about possible votes.

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Mr. Speaker, my purpose in raising this is because I firmly believe that this is going to be a major issue for Canadians everywhere. I raise this because of this critical time in Canada's history and in Saskatchewan's history. We need, more than ever, a clear thinking and straightforward approach to Confederation. I am used to Conservative waffling on all kinds of issues in this Legislature and I can almost accept, that for political purposes, it is being done. I can't accept the proposition, that for political gain and for five by-elections, there should be a flirtation between the major political party and the Parti Quebecois. That is down right frightening and the people of Canada won't stand for it.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — Mr. Speaker, the position of this Blakeney Government is clear and it has been clear. I repeat again, we stand for a united and strong Canada. We stand for a strong and united Canada, one which will give the regions of the West and Saskatchewan a chance to have the economic and culture aspirations realized, but as Canadians.

I want to say one other final point on this, the centre of this whole issue. All Saskatchewan people must now look to leadership, to the man who can, with integrity and intelligence, still speak up for this problem that faces this province and this country. I am proud to be following the leadership of a man like Allan Blakeney.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — Now, Mr. Speaker, I want to say just a few very brief words on the question of resources because I indicated that I would. And I want to say that the first position is this. The Conservative and Liberal Parties oppose fundamental aspects of our resource policy. One, they oppose Bill 42 on oil. Bill 42 took the windfall profits in oil from 1973. I want to say to this House that prior to 1973, Imperial took out of Saskatchewan about \$300 million of oil and paid only \$5.5 million in taxes to the Province of Saskatchewan, less than two per cent. Yet the Liberals and Conservatives oppose our attempt to place a higher taxation load on Imperial Oil.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — We take this oil money and we put it into a special oil fund and we don't use it for regular taxation or for regular funding. But the Liberals and Conservatives if they were in power would do away with Bill 42 and do away with the four or five hundred million dollars that we have collected under that special oil revenue.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — And the second thing, Mr. Speaker, that they would do, is that they would do away with the potash policy. I find this grimly humorous - humorous because what they say is that if they were to decide what to do with this money from the oil, which we wouldn't collect if they were the party in power, they wouldn't be spending it on potash mines. What they say is they

would spend it on highways so that their Cargill friends could ruin the roads on the highways. They would spend it on corporate taxation cuts. They would spend it on all kinds of gimmickry for the corporations. They would spend it like drunken sailors for ten years, while the oil and the oil revenues last, and the heck with tomorrow. That is the proposition of the Conservative and the Liberal Parties. They don't give a 'dog gone' what is going to happen tomorrow and in the future.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — Mr. Speaker, the position of the Conservatives and the Liberals is down right dishonest when it comes to resource policies. They are owned lock, stock and barrel, the Tories and the Liberals, by the big corporations of this world. I tell you that, come 1979, the people of Saskatchewan will see this and defeat the Liberals and Conservatives in the ridings in the next provincial election.

SOME HON. MEMBERS: Hear, hear!

MR. ROMANOW: — Mr. Speaker, I now must take my seat but before I do, I want to say that we will be voting in a very few minutes on this Budget. When we vote on this Budget and if the Opposition votes against it, I just want the Members in this House to keep in mind what they will be voting against. They will be voting against; one, a reduction of one point in the personal income tax rate; two, they will be voting against an increase in the across the board tax cut for \$120; three, they will be voting against the elimination of succession duties and gift tax; four, they will be voting against an increase of 20 per cent in financial support in health, those who are concerned about putting the care back in medicare; five, they will be voting against increases of at least ten per cent in grants to schools, local governments, senior citizens and native people; six, they will be voting against Safety '77; seven, they will be voting against a 50 per cent increase in police grants; eight, a unified family court project; nine, a cultural and recreational capital grants program of \$26 million, to name a few.

Mr. Speaker, when they vote against those things, they vote against the people of Saskatchewan and they seal their fate come the next election.

SOME HON. MEMBERS: Hear, hear!

MR. J. G. LANE (Qu'Appelle): — Mr. Speaker, we thank the Attorney General for the courtesy that he has shown the Opposition today. I find it another example of the confusion of the Government opposite and it is best exemplified by the confusing position taken by the Attorney General on behalf of the Government opposite.

On the one side they say that we have no policy, yet for the last week all we have heard from the Minister of Social Services (Mr. Rolfes): — is his attack on our policy on welfare reform. He went on at great lengths and yet you say there is no policy. Why this strong attack against our policy?

We take a look at our policy on what we would do with the resource industry for the public corporation - it was attacked by the Minister of Industry and Commerce (Mr. Vickar) and it was

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attacked by the Minister responsible for the Potash Corporation (Mr. Cowley) and by other Members. If we don't have a policy, why are you attacking it? Are you as confused as some of your other Members?

Mr. Speaker, we have heard a diatribe by that Minister trying to justify one of the most mismanaged operations that this country will ever see, his own department, his own actions on the constitutional questions and his Government position on the constitutional question. We heard a very, very weak attempt to justify his legal failures as Attorney General of the province. He tries to say that the Supreme Court may come down against the legitimate political interests as determined by the Government opposite. If that should happen, he says the Supreme Court of Canada is wrong, but he refuses to admit that in fact the Government is wrong, was wrong and was wrong from the outset. I find it very, very strange that what really is being brought into question in your legal suits is not the position of the Government and the rights of the Government, but your legal competence as Attorney General and the legal position of the province - the legal ability of that Government opposite to exercise the powers inherent in a provincial jurisdiction. That is the true picture of what is happening before the Supreme Court of Canada.

I was very, very surprised to hear the Attorney General of this province take the side of an anti-western approach to Confederation which he has just done in his speech today, when he talked about the position of this particular Government. Let me remind the Attorney General that it was his Government that came out strong, four square behind the Parti Quebecois and said what a good government it was going to be, and how you would like to work with them, and how the federal NDP has attempted to have a coalition with the Parti Quebecois; and the Province of Saskatchewan has tried to work hand in glove with the Parti Quebecois since the Parti Quebecois was founded in 1968. The Premier can screw up his face, but the fact is true that the federal NDP has always attempted to have a working relationship with the Parti Quebecois. I say for the Attorney General of this province to accuse anyone at this time in Confederation of being anti-Canadian is doing a disservice to himself as Attorney General and a disservice to the Province of Saskatchewan and the people of Saskatchewan. Make no mistake that your approach and I say the Federal Government approach, which seems to ignore the legitimate concerns and aspirations of western Canada, actual or perceived, is just as wrong as ignoring the legitimate concerns and aspirations, actual or perceived, of the people of the Province of Quebec. That's the position of the Conservative Party; all regions of this country are equal and should be treated equally. That is our position. We make no apologies to anyone for that position. We are surprised that the Attorney General would go on record today as saying that policy is wrong - that in fact, we in western Canada must give up our rights and our aspirations so that he can make a political issue of Confederation. He has done more disservice today through a rational and logical discussion of what should be good for Canada than any other major spokesman of that political party could hope to do any time. It was bad timing for the Attorney General to have made a cheap political issue of his position on Confederation. It is surprising and I think it is a damnable approach to take at this time in the history of our country.

Mr. Speaker, I just want to make a few comments on the Budget. One of the issues in the by-elections was the matter of integrity and I want to make a few comments to some of the Members

opposite. I see some of them are not in their seats. I suppose if time runs out, I will not get an opportunity to discuss integrity with some specific Members. I should like to discuss the integrity of a political party, however, that talks about integrity and says the reason we lost in 1975 was because the people were sick and tired of our negative approach; that in fact, people wanted to hear what we were for, not what we were against. Those speeches and that remark were pretty well documented publicly. And at the same time in the by-elections the ads ran on the most blatantly negative approach; all that the ads in Saskatoon said were, "Who can defeat the NDP, don't split the vote." That is most negative and that is the very thing the people of Saskatchewan objected to in 1975.

On the one hand they were talking about, don't split the vote, defeat the NDP, we're against them, that's all they said, but at the same time the same political party was running around Prince Albert urging their people to vote NDP or stay Liberal so that the NDP would come up the middle, something about integrity of a political party.

Mr. Speaker, I assure the Hon. Members to my right, that had the Attorney General given the courtesy of the House, that that could have been gone into, in some considerable detail. I don't want to take too much time from the Hon. Member to my right. I would just like to say that we . . .

MR. PENNER: — You have 30 seconds.

MR. LANE: — I think I have a little more time than that. I am sure the Hon. Member wants to talk about integrity if he wants to continue that debate. We could talk for example about the type of campaign that the Hon. Member ran in Saskatoon. Such a slanderous, personal campaign at the doors, that the federal wing of his own party is already trying to disown him in Saskatoon, concerned because of the damage that was done to the federal organization and the position of the federal Member in the city of Saskatoon. And I could go on, Mr. Speaker, the Hon. Member said I only had 30 seconds. I am sure he won't bother interrupting, I could go on for some considerable period of time.

We reiterate what we said at the outset. We agree that succession duties should be removed; that has been a position, I think, of both Opposition parties for a long period of time. I had in my remarks today a few of the comments of some of the Members opposite when succession duties were brought in. The Premier assured us it was a matter of principle. I am sure the Member for Saskatoon University assured us it was a matter of principle and how he was happy to pay the taxes, and also several other Members. The fact is that it was a bad tax then and it is a bad tax today, it was a self-defeating tax then and it is today. It deserves to be removed. Our concern has been, from the outset, that the Government of Saskatchewan has made a bad choice of priorities and that their priorities are wrong. Instead of buying potash mines, we could have had revenue sharing the last two years in the Province of Saskatchewan. In fact, we could have increased, dramatically, the grants to local government. Instead of buying potash mines we could have had welfare reform, as we have advocated. If we had not bought potash mines, there wouldn't have had to be that cutback in health expenditures last year, so condemned by the people of the Province of Saskatchewan. Mr. Speaker, their priorities are wrong. The people of this province have shown in two

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by-elections that they don't agree with your priorities, that they don't like your priorities, that they want another alternative, that there has to be a better way of running the Government than what we have seen to date. That is what the people were voting for in the two by-elections.

Mr. Speaker, I cannot support the Budget.

SOME HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, it is a pleasure for me now to have the opportunity of participating in this Debate. Before I do, I want to take the opportunity of welcoming a group of students who, just by accident, happened to arrive from my constituency. They are from Windthorst and they are accompanied by Mr. Medwid, their principal. I hope that they enjoy the opportunity of watching the conclusion of the Budget Debate, one of the most important debates in the province.

I would also like to say that the Member for Qu'Appelle (Mr. Lane): — has continued his role of being the only Member in the Legislature who can embarrass everybody on both sides of the House. It is also a pleasure for me to follow the Attorney General. He and I on many occasions, have discussed or debated in this House with considerable vigour. He talked about resources and the NDP policy on resources. Mr. Speaker, I want to take a few minutes to discuss resources.

I want to begin by talking about two things - the purchase of Sylvite and the Energy Fund. Mr. Speaker, let me begin with Sylvite. For 35 years the people of this province have been listening to the NDP talk about a sellout of resources, of hatred for the multinational corporations and about how they are going to use the resources for the benefit of the people of Saskatchewan. Mr. Speaker, no one, no intelligent member of the press, no economist, has yet sat down to evaluate what we had in hand before the purchase of Sylvite and to evaluate what we have when we own Sylvite. Mr. Speaker, I suggest there is a sellout of the magnitude that is beyond the comprehension of the press or the public. A sellout, not to multinational corporations, a sellout to the socialist dreamers and the NDP on the other side of the House.

Mr. Speaker, before the purchase of Sylvite we had two rather obvious things. We had \$108 million in the Energy Fund. The Minister of Finance told us the other day it was drawing interest at nine per cent, that is a yield of \$10 million each year. On top of that, we have the taxes from Sylvite. Last year in the Estimates it was \$118 million from the Potash Corporation. I have done an evaluation on the potash industry and they say Sylvite is paying \$9.5 million taxation in reserve tax in pro-rationing, in production taxes and, after depreciation and capital cost allowance. If they make a profit, they would be paying another \$1 million in provincial income tax and perhaps \$4 million in federal income tax. Mr. Speaker, let's round it off at \$10 million for the revenue, that means \$10 million in yield from the Energy Fund, \$10 million in tax revenue from Sylvite, for a total of \$20 million in our hands if we had not bought Sylvite.

Now let's look at what we have after we buy Sylvite. First of all, we lose that \$10 million yield from the \$108 million of

the Energy Fund because the Minister of Finance said that the Potash Corporation would not pay any interest on the \$100 million advanced to it. So there is \$10 million down the drain to begin with. What is the second thing that we have? Mr. Speaker, if the potash industry is right and the NDP has never been able to refute it, 85 per cent of their net profit goes in taxes. We shall suggest that if production stays at the same level, if costs stay at the same level and if the markets stay at the same level, the NDP will return a profit of \$12 million, which is doubtful when a government gets into the industry. That's \$12 million. We had \$20 million and we now have \$12 million of profit. Mr. Speaker, the NDP borrowed \$36 million!

Let's take an average interest rate and the Minister said 8.75 per cent. We don't know the terms of the loan, ten or 15 years. Let us suggest, Mr. Speaker, that the return or the debt retirement on principal and interest is \$6 million and that is probably a conservative estimate. You deduct the \$6 million from the \$12 million and the return next year from the Sylvite mine is \$6 million to the public Treasury or the people of Saskatchewan. Today we have \$20 million, next year we have \$6 million. Mr. Speaker, is that a benefit to the taxpayers of Saskatchewan?

What do the NDP say? They say that in 15 or 20 years, when the loan is paid off they will have the title to Sylvite and then they won't have to retire the debt and then they will have the whole \$12 million. Mr. Speaker, I ask anyone over there to do a simple calculation. If the Energy Fund earns ten per cent, and the Minister of Finance proudly said the Saskatchewan Development Fund for registered retirement would be making 19 per cent, if they have bought the portfolio on long term investments, surely we could expect a ten per cent return on \$108 million, that takes 7.2 years to double. That makes \$216 million and in another 7.2 years that is \$400 million. In the 15 years that they will get the \$12 million from Sylvite, the Energy Fund, with its interest and its yield, would now be at \$400 million plus, which would make a return to the people of Saskatchewan of over \$40 million a year.

Mr. Speaker, is it funny money? I think that even the Minister of DNS can understand a simple calculation of a low per cent yield on \$108 million over 15 years. I challenge the Minister of Finance to stand on his feet and tell me that a ten per cent yield on \$108 million in 15 years compounded, won't bring a capitalization of over \$400 million. No question about it. That is a simple calculation. You then add the taxes to it and that one mine would return a yield to the Province of Saskatchewan of well over \$50 million a year. What are we trading it for? The Socialists want \$12 million and the title to the deed.

Mr. Speaker, now you add into it Duval and Duval is even worse than Sylvite, because they took \$121 million out of the Energy Fund. The Minister gave me the statement the other day. You take that \$230 million; in seven years that is about \$460 million; in 15 years it is about \$910 million and you take the interest and yield from that and we are talking in the neighbourhood of \$130 or \$140 million including taxes, from those two mines if we leave things just exactly as they are. I challenge the Minister of Finance or the Attorney General to deny those figures - \$12 million return today, \$6 million to retire the debt. The people of Saskatchewan are going to get a \$6 million

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benefit if we leave things exactly as they are; \$10 million yield from the Energy Fund and \$10 million in taxes which equals \$20 million. We are ahead \$14 million and now with the purchase of Sylvite we are behind \$14 million. If we had left the Energy Fund to compound, which was its original purpose, we would be talking \$50 million a year from that operation, or \$130 million from those two mines, with no risk, Mr. Speaker, no risk whatsoever. Why has not the Attorney General or the Minister of Finance talked about the yield of the Energy Fund? He gave me the statement and there is no interest on it.

Mr. Speaker, the Energy Fund is being dissipated at a rate beyond comprehension. It was supposed to be for the benefit of our children and our children's children. If those potash corporation people, who are going to Europe in April, buy Alwinsal, there won't be one five cent piece left in the Energy Fund at the end of April. Not a five cent piece!

Mr. Speaker, where are these hundreds of millions of dollars coming from? Are they coming from the NDP energy policy or resource policy? Those hundreds of millions of dollars that are being channeled into the Energy Fund are coming from private initiative. They are coming from the private sector and they are putting money into the Treasury; they are giving the benefits to the people of Saskatchewan and the NDP is dissipating it at a rate beyond the comprehension of anyone.

Mr. Speaker, I ask the Minister of Finance to get up and deny that in 15 years the \$108 million they used to purchase Sylvite would not, under normal conditions, with a ten per cent return, have over \$400 million in that reserve fund, just from that \$108 million. Add the \$121 million and I challenge the Minister to say there wouldn't be over \$900 million. Deny it! You know that you can't and it is simple enough mathematics that even the Member for DNS can understand.

Mr. Speaker, this is the sellout. It is economic insanity! I challenge the press to get out its pencils and to just calculate it on a very simple basis. Surely to heavens, someone in the press would report to the public of Saskatchewan what we have today without buying Sylvite, and what we will have tomorrow when we own Sylvite. That isn't too much to expect of the people who are to report on the public affairs of this province. Let's ask them also to calculate what would have happened in the Energy Fund if the NDP hadn't dissipated it as a slush fund.

Mr. Speaker, by 15 years, by about 1990, there would be about \$2.5 to \$3 billion which would return to the people of Saskatchewan annually of \$300 million per year, in interest alone, guaranteed at no risk. On top of that, we would have the \$100 million from the potash industry, which would make about \$400 million as far as I can add. Then you say it is for the benefit of the people of Saskatchewan. Mr. Speaker, it is a sellout by the NDP and a sellout in a magnitude that no one in Saskatchewan has been able to comprehend.

Mr. Speaker, let's now talk about the Energy Fund itself. Perhaps we should use another example before we get into the Energy Fund. Let's talk about the other resource policies.

Five years ago they said that they were going to use the resources of Saskatchewan for the benefit of the people of Saskatchewan. I want them to show where there is one dollar of revenue from the NDP resource policy that has not been contributed by private enterprise.

MR. MESSER: — What about Saskoil?

MR. MacDONALD: — Oh, I think Saskoil, from the production that they bought from existing production, has brought in a bit of revenue. It is not very much according to the Budget. We are talking about resources from 1971 and the Minister feels a little guilty because he knows he sold out the people of Saskatchewan.

Let's take Sask Forest Products. Do you remember hearing that we were going to use the forests for the benefit of the people of Saskatchewan? In the last two years we have lost \$6.5 million in the worst example of mismanagement, waste and inefficiency. And do you know something?

MR. BOWERMAN: — What are you talking about?

MR. MacDONALD: — Listen to Mr. DNS. Paid, yes. Mr. Minister of DNS you are the man responsible and they had to remove you from that portfolio and put someone else in because you squandered everything. That is why you are no longer there because even Premier Blakeney can't tolerate your inefficiency and mismanagement. That is why you are no longer there.

They took the monopoly in the white spruce; they cut out the private operator; they have taken complete control of the forest. The waste and mismanagement is a tragedy.

Let us look at the oil industry. Mr. Speaker, we are now in an energy crisis in Canada. Oil and gas are a non-renewable resource. In 10 or 15 years Saskatchewan will have none, unless we find some. Do you know what the Minister did? It was the Attorney General who brought that Bill in. We used to average 1,000 new wells a year for ten years in new oil exploration. Now we have 200, most of them by Sask Power. Do you know what we should do with Bill 42, exactly what every other province in Canada has done with windfall profits - take a good chunk for the people of Saskatchewan, but leave enough initiative for the private enterprise so that you don't drive them out the door.

Mr. Speaker, would the Minister of Finance or someone please tell me what benefit the people of Saskatchewan have received from the resource policy of the NDP Government? The only thing that you have is \$500 million from the private sector. That is all that you have! Plus you have \$100 million from the private sector in the potash industry, each year you bring into general revenues. Boy, Mr. Speaker, I tell you, I would like to know.

Let's look at the Energy Fund for one moment, Mr. Speaker. The Energy Fund was supposed to be set up in the context for everyone, to provide a source of revenue for the people of this province when our renewable resources ran out. It was set up under a special Act, The Oil and Gas Conservation Act.

Mr. Speaker, it was a renewable resource . . .

MR. ROMANOW: — You fought it with everything you had in you.

MR. MacDONALD: — You bet we did, because of the technicalities of the Act, because of your greed and because you were driving every private enterprise out of the province.

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Mr. Speaker, the Energy Fund was set up for a purpose, the purpose was to develop and explore for new energy resources in Saskatchewan.

MR. ROMANOW: — . . . resource development.

MR. MacDONALD: — Oh, you would try and get that. Mr. Speaker, when they finish buying Alwingsal, we will have not one nickel in the Energy Fund. We haven't another oil well or another energy source, or any energy in the Province of Saskatchewan developed that was not already there. The potash mines you bought resulted in no new jobs, no new production, no new revenue. It is an irresponsible use of \$500 million in this province.

Mr. Speaker, I want to repeat, had the Energy Fund been set up as a heritage fund and we left it to compound, by 1990 we would have about \$300 million of revenue for the people of Saskatchewan. Don't talk about the Alberta people putting it into general revenues, of course they did, but they gave direct benefit to the taxpayers by reducing their income tax to the lowest in the Dominion of Canada. They are going to have \$10 billion in the Province of Alberta in 1985. That is about \$1 billion a year in revenue when their oil and natural resources are gone. Compare that to the NDP in Saskatchewan where we won't have a five cent piece when we finish the deal with Alwingsal.

Mr. Speaker, let's look at the Energy Fund. I got this statement from the Minister the other day and the total we received is \$428 million, there is no interest. We are getting payments to the fund at an average of \$10 million a month and we should have \$500 million right now. By the time they finish paying for Sylvite we will have \$130 million; by the time they finish paying Alwingsal this fund is completely broke. Mr. Speaker, there are two things that I question about it. I question the legal right of the NDP to buy existing production. They used a catch-all clause, when they amended the Act. There were two of them. Section 15 that was amended in 1973-74 says simply:

To encourage and assist persons to explore and develop the energy and mineral resources of Saskatchewan.

Can the Minister or the Attorney General tell me if a ten year old plant, with buildings and equipment, roads, desks and typewriters is new exploration and development? Then, Mr. Speaker, they amended it and put in a catch-all:

. . . any other purpose considered conducive to the development of the energy and mineral resources.

Are you trying to tell me the purpose of Duval is the development of energy and mineral resources, when you are buying machinery that is almost outdated? I challenge the Government that they don't even have the legal right and if it was taken to court I am sure the Judge would say, oh, the development. Do you know what you are really doing? You are deceiving the people of Saskatchewan and you are also deceiving the people of Canada.

Mr. Speaker, there is one other section and there is also one other thing that the NDP is doing. The NDP is very sensitive about this Energy Fund. They are using the Energy Fund to

balance the Budget. Mr. Speaker, if they had to put \$35 million of the Energy Fund into consolidated revenues this year, the deficit wouldn't be \$40 million, it would be \$75 million. Last year it wouldn't have been \$45 million, it would have been \$80 million. And do you know what clause they are using?

Mr. Speaker, the Treasury Board may order, that any money in the fund, considered by it to be in excess of what may be required for the purposes of the fund, be paid to the Minister of Finance for deposit in the consolidated fund.

Is the Energy Fund in excess? Are you trying to tell me that, the way it exists right now, when you have squandered it and used it as a slush fund over the last five years, that it is in excess? You are just like a bunch of drunken sailors, you have got \$500 million, you will use it for every socialist enterprise you can. You have been misusing the Energy Fund by transferring it into the consolidated revenue when there is only a \$100 million left in that fund.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — Mr. Speaker, it is in excess, if this is supposed to be in excess, Mr. Minister, I would like to know what it is when the cost of developing new energy supplies today are astronomical. Look at Syncrude, look at the Northshore, even conventional sources, and you try to tell me that the Energy Fund is in excess. You people have used it as a slush fund to protect your own hides. And that is it and that is all.

Mr. Speaker, I just want to point out that I would hope that somebody over there would do a calculation of what we have now and how we are wasting the money in the Energy Fund.

MR. ROMANOW: — Now he says we are wrong, we should spend it on hospitals.

MR. MacDONALD: — Oh no! No. No. I am not saying you should spend the Energy Fund on hospitals, Mr. Attorney General. Don't put words in my mouth, Mr. Attorney General. No, don't put words in my mouth. If you have a guilt complex about health, there is a problem with it. I am saying that you should leave the Energy Fund alone and use it for the development of energy and use it when our non-renewable resources have been depleted. Replace that money in the Provincial Treasury so that we can keep up the standard of living in Saskatchewan. That is what you should be doing with the Energy Fund.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — Mr. Speaker, I have a couple of other things I would like to get through briefly. I know my time is up and I have to capitulate to the Minister of Finance and I regret it, because I have a lot of other things to say.

I want to talk about load limits for a minute. We have just witnessed a juggling feat that I have never seen before, by the Minister of Municipal Affairs (Mr. MacMurchy): — and the Premier (Mr. Blakeney). One day they are on this foot and the next day they are on that foot and all the time they are deceiving the people of Saskatchewan and particularly the farmers. One year

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ago the Minister announced what the road load limits were going to be. He received opposition and what did he do? He ran back and said that they were going to have consultation - consultation with the SARM, consultation with the farmers, consultation with the agricultural association. Then a year later he comes to the SARM convention, after that year of consultation, and announces the load limits. Now he is running for cover because the SARM objects and resents the Minister's interference in its jurisdiction. Now all of a sudden the Minister is withdrawing. But what disturbed me most was that it was a deliberate attack enunciated by the Premier and the Minister against a group of Saskatchewan citizens who formed a co-op and organized an inland terminal in Weyburn. It was an announced policy. Mr. Speaker, I say it is a crime, when the Government turns and becomes the adversary of a group of its own citizens who have done nothing illegal, who have invested their own money in an enterprise and experimented to improve the transportation and grain-handling facilities in this province. And the Government then became the adversary and deliberately has created a policy to destroy that enterprise, of those farmers who used that million or so dollars that they contributed themselves, and would be forced into bankruptcy. That is exactly what would happen if the Premier and the Minister turned around and enforced their policies.

Mr. Speaker, I would like to talk about health but I haven't got very long. There is only one comment that I am going to make about health. There are only 39 people in the Province of Saskatchewan that don't believe there is a problem in our health programs in Saskatchewan. And who are those 39 people? They are the 39 NDP Members over there. The doctors feel there is a problem, the nurses feel there is a problem, the staff of all the hospitals feel there is a problem, the hospital boards know there is a problem, everybody in Saskatchewan knows there is a problem and the NDP Members close their eyes. I wouldn't even mind, gentlemen, if you admitted there was a problem and tried to take some steps. But do you know what your defence is, 'it's free, it's free', that's your defence. Please tell me what free cost has to do with the quality of medical care in Saskatchewan.

Mr. Speaker, as you can see by my remarks there is just no way that I can vote for this iniquitous Budget.

SOME HON. MEMBERS: Hear, hear!

HON. W. E. SMISHEK (Minister of Finance): — Mr. Speaker, I have always admired the enthusiasm of the Hon. Member for Indian Head-Wolseley, he gets a great deal of fun out of the razzle dazzle of politics. Perhaps that is his greatest attribute and contribution in this House. He seldom worries about facts and statistics. Facts confuse him and whenever he understands them he does not hesitate to twist them in every way possible to suit his own purpose, as he did just a while ago in the case of the Energy Fund and in the case of potash. Consistency has never bothered the Hon. Member for Indian Head-Wolseley, nor do principles. He always approaches a principle with a question and says, "What is that?" His answer has always been, on any issue, at any given time, at any moment, that he is ready and willing to rise above any principle. Mr. Speaker, we know full well that principles are something that the Liberals have never worried about since they never have had any. Mr. Speaker, the Hon. Member for Indian Head-Wolseley has chosen the right business - the travel business, perhaps he should start now.

Mr. Speaker, it is almost 13 years since I first was elected to the Legislature. During this period I have heard and listened to many legislative and political speeches. Anyone who has done his or her homework will know that for seven years I served as a Member of the Opposition and for the last five years and eight months as a Member of the Government and as a Cabinet Minister. Mr. Speaker, I am convinced that at some future time when the researchers, historians and political students complete their study, I am sure they will grade the speeches of the Opposition Members during the last five days at a level very much below average, say D minus. Mr. Speaker, as one who sat in Opposition for seven years, it has been my conviction that an intelligent and concerned Opposition has a vital role to play and is an important element of the parliamentary system. It is my belief that the duty of the Opposition is to criticize but its more important job is to present alternatives. Mr. Speaker, I sat in this House for most of the last five days listening to the Opposition. I was hoping to hear a new idea, a useful and practical alternative. Mr. Speaker, I heard none. All I heard was criticism. It was the same old refrain, totally negative, not a single new thought or a single new idea was presented from the Members opposite, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — And yet representatives of both the Opposition groups are saying that they will be forming the next government. Out of that thoughtless and mindless approach, they say that they will be forming the next government, Mr. Speaker.

Tweedledum and Tweedledee, Mr. Speaker, in effect the Liberals and Tories decided on a course of insulting the voters of Saskatchewan saying that the voters can be tricked and fooled again by the old line parties. Mr. Speaker, I do not believe that is possible. For five days we have been subjected to inconsistent and incoherent raving from the Opposition. We have heard cries for more spending on individual programs, yet less spending overall, Mr. Speaker. We have heard demands for a 20 per cent cut in the size of the public service, but no mention of what programs should be cut, Mr. Speaker. We have heard criticism that taxes have not kept pace with the spending, but the same critic has proposed a reduction in the sales tax to three per cent.

Mr. Speaker, I realize that none of these criticisms were aimed at the Budget. None of them dealt with the substance of new programs that were proposed, of continuing support for essential services, which the Budget provides, of the fact that this Government has made a sincere effort to hold the line on the rate of increase in public expenditures, and in the public service, or of the tax actions that were necessary to keep our deficit to a manageable size, Mr. Speaker.

The Liberals, like the Tories, have adopted the motto, "Talk about anything or talk about nothing but never talk about policies," Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — That has been their approach. One thing they have all been good at, Mr. Speaker, is being pessimistic about the future of Saskatchewan. You would think, in listening to them, that they

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are hoping the grain prices will never recover, Mr. Speaker, and the Saskatchewan economy will not enjoy prosperity in the future. That is their hope, Mr. Speaker, if you listen carefully to their speeches. Listening to them you would think that multinational corporations, like potash companies and oil companies, should determine how and when and for whose benefit our natural resources should be developed.

Mr. Speaker, I just wish they would talk about facts the odd time. Now if you look at the Estimates for this year, you will find that the resource revenues will provide nearly \$250 million of budgetary cash inflow to the province. That is \$250 million to pay for schools, for hospitals and other social services. Where would they get the money? Where would the money come from, if the Grits and the Tories were in power, Mr. Speaker?

They don't believe, or say they don't believe in taxing the resources. Would they cut programs, raise taxes on people or run huge deficits? They did not give us the answer, Mr. Speaker. Somehow the problem will be solved by reducing the sales tax to three per cent. That is the Liberal answer, Mr. Speaker. Instead of presenting a reasonable alternative, the Opposition concentrated its attempts to confuse and to mislead the people of Saskatchewan. They say that potash is a bad investment, that it should be left with the private sector to control and that we are spending money on potash rather than on people. All of this is nonsense, Mr. Speaker, and they know it. The money that we are investing in potash does not come from the budgetary revenue. It has no impact on our ability to spend dollars on health or any other public program, Mr. Speaker. This money is invested in potash from the acquisition and expansion of current mines and for development of new mines. The reason for this is simple, Mr. Speaker. In the 1980s and in the 1990s and in the decades that go beyond, when our windfall revenue and other sources, such as oil has disappeared, potash will not only pay taxes to the public treasury, it will also pay large dividends, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Profits which would have flown out of Saskatchewan. Mr. Speaker, who in their right mind thinks that it makes more sense to let the dollars leave this province to the United States, to Germany, to France, to South Africa, and to eastern Canada, than to be kept right here in Saskatchewan for social programs for the people of the province? Mr. Speaker, the Opposition parties hope to mislead the people of Saskatchewan. Mr. Speaker, I suggest that with open reporting from the media, the people of Saskatchewan will not be misled. Unlike the Opposition, Mr. Speaker, we, on this side, are concerned about the future of Saskatchewan. In future years, Mr. Speaker, the people of Saskatchewan will enjoy the benefits of our resource policy. That I am convinced about. We will have taxes and we will have the dividends from the potash industry, from uranium and from other resources. These profits and taxes will pay for the social programs, and they will also pay for the expansion of our economic activity in Saskatchewan, Mr. Speaker, despite what the Hon. Member for Indian Head-Wolseley will try to tell you.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Mr. Speaker, the Member for Thunder Creek (Mr. Thatcher): — suggested that what we really need is a 20 per cent reduction in the bureaucracy and whom does he call bureaucrats, Mr. Speaker? He calls the engineers of the Saskatchewan Power Corporation bureaucrats, linemen at Saskatchewan Telecommunications bureaucrats, bus drivers from the Saskatchewan Transportation Corporation, everyone from miners in the potash industry to loggers in the Saskatchewan Forest Products. He calls them and labels them as bureaucrats, Mr. Speaker. And he implies that these are useless activities. Mr. Speaker, workers in the Crown corporations are as productive as any that you will find in the private industry.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Whom is he trying to fool when he pretends that the forest worker for MacMillan Bloedel contributes to economic activity but a worker employed by Saskatchewan Forest Products does not? Whom is he trying to insult when he implies a potash miner was productive when he was working for Duval but became a lazy, good for nothing bureaucrat when he is now working for the Saskatchewan Potash Corporation, Mr. Speaker.

Mr. Speaker, public enterprises make sense. They provide jobs. Mr. Speaker, public enterprises create economic good, the same as the private sector does. The only difference is that they keep the profits at home instead of shipping them out to Toronto or to Houston, Texas or to Johannesburg, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — From time to time, we have heard Members opposite rave about financial borrowing. Mortgaging our children's future, they call it, Mr. Speaker. If General Motors or IPSCO or any other private company takes out a loan to build a new factory or a new plant or a new sales office, it is called private investment, and that is good. Mr. Speaker, when the Province of Saskatchewan borrows money for the Crown corporation to build the same kind of a plant, an electric dam or a power generation unit or a potash mine they call it, Mr. Speaker, mortgaging our children's future. Mr. Speaker, that is pure nonsense. The Province of Saskatchewan borrows money for public corporations that are involved in economic activities that can repay the loan. They repay the debt servicing cost, and they provide a profit to the Treasury of this Government, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — To imply that borrowing on behalf of Crown corporations will be a burden to the taxpayer of this province is either dishonest or stupid or both, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Mr. Speaker, I hope we are not entering a new era in politics in Saskatchewan, an era in which the Opposition deliberately attempts to mislead the media and the people. If that's the case, then more than ever before, the media has an added and weighted responsibility and should check its statements very, very carefully.

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SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Mr. Speaker, by and large, I think the media in this province does a reasonably good job, but it isn't easy when the headline hunters opposite deliberately misrepresent the facts. You know, the Tories have been extremely critical of financial management of this province and, by implication, about the office of the Provincial Auditor. Mr. Speaker, during the last week they seized on the Auditor's observations and I would hope that they would listen to this very carefully, seized on the Auditor's observations that the statements of 21 agencies required a qualified certification. Traditionally, Mr. Speaker, those charges having been made, the press would have asked the Minister in charge for a response. As the Minister in charge of the Provincial Treasury and, therefore, the provincial accounts, I was surprised that I wasn't questioned. Now had the press bothered to ask me, I would have informed them that out of the 21 qualifications, corrective action had been taken in six cases, that three are currently being corrected, that eight of the qualifications were applied not because the financial statements were incorrect, but because of questions concerning the verification of certain assets and liabilities or changes in the application of accounting principles from one year to the next. Finally, Mr. Speaker, in four cases, the comptroller of the Department of Finance had a genuine disagreement with the Auditor on the application of accounting principles. That this will happen some times, should be no surprise to anyone, Mr. Speaker.

Now, that is 21 answers to 21 observations, Mr. Speaker. But who was interested and who asked? Further, rather than simply reporting that an \$82,000 overpayment was made to an unknown community out of the Community Capital Fund, they might have followed it up and found that this was recovered, Mr. Speaker. The \$82,000 was repaid. Rather than a daily newspaper in this province reporting that a motor vehicle licence issuer was found to be short of funds remitted to the province, the reporter might have found out that in this particular case, it was the previous issuer who was in default back in 1974 and that all of the money was recovered under the fidelity bond in 1975 and the same was true in the case of the other issuer, the money was recovered.

Mr. Speaker, in short, if they had taken the time to ask, the press might have learned that the comments which the Auditor was obliged to make in his report to the Legislature, have either been corrected or are in the process of being corrected. But, Mr. Speaker, the Public Accounts Committee will be given a full opportunity to examine all of this and I am sure that the Accounts Committee will report and I would also hope that they will report on the previous year so that the whole matter will be put straight in the way that the Conservatives tried to misrepresent the Provincial Auditor.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Mr. Speaker, I hope that this matter will be put to rest once and for all.

Mr. Speaker, as I mentioned earlier, the Opposition has been inconsistent throughout this whole debate; we're not spending enough money on health, but we're spending too much on other items; taxes are too high. Earlier in this debate the Member for Biggar and others referred to rather interesting statistics

in each of these areas. Let me just quickly review for the Members opposite the basis of the figures in 1976-77. You will find, Mr. Speaker, that in total taxes, including the income taxes, sales tax, gasoline and tobacco taxes, Saskatchewan had the second lowest per capita tax in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — In the area of total expenditure, Mr. Speaker, Saskatchewan had the second lowest per capita in Canada. In the area of public debt, Mr. Speaker, Saskatchewan had the lowest per capita debt in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — These are the facts, Mr. Speaker. In taxes and per capita spending and debt load on the province, Saskatchewan is the lowest or among the lowest in Canada.

Mr. Speaker, I wish they would have expressed their views on the new programs that we are introducing. I wish they would have acknowledged that we have managed the economy well and that we have built up a surplus during the good years to \$112 million.

SOME HON. MEMBERS: Hear, hear

MR. SMISHEK — We will have a small deficit. A deficit that is manageable, and if the potash companies pay the taxes they owe, then that deficit will be wiped out and we will end the year with a small surplus. That is, Mr. Speaker, if the potash industry pays the money it owes to the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear

MR. SMISHEK: — Mr. Speaker, very obviously, I will be opposing the amendment and will support the Motion.

SOME HON. MEMBERS: Hear, hear!

Amendment negatived on the following recorded division:

Yeas — 15

Stodalka	Anderson	Birkbeck
Clifford	McMillan	Ham
Merchant	Larter	Bernston
MacDonald	Bailey	Katzman
Penner	Lane (Qu'Appelle)	Wipf

Nays — 30

Blakeney	Lange	Faris
Pepper	Kowalchuk	Cowley
Thibault	Robbins	Tchorzewski
Bowerman	MacMurchy	Shillington
Smishek	Mostoway	Vickar
Romanow	Kaeding	Skoberg
Messer	Kwasnica	Nelson (Yorkton)
Snyder	Dyck	Koskie
Kramer	McNeill	Johnson
Baker	MacAuley	Banda

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Motion agreed to on the following recorded division:

Yeas — 30

Blakeney	Lange	Faris
Pepper	Kowalchuk	Cowley
Thibault	Robbins	Tchorzewski
Bowerman	MacMurchy	Shillington
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Nays — 15

Stodalka	Anderson	Birkbeck
Clifford	McMillan	Ham
Merchant	Larter	Bernston
MacDonald	Bailey	Katzman
Penner	Lane (Qu'Appelle)	Wipf

WELCOME TO STUDENTS

MR. A. THIBAUT (Kinistino): — Thank you, Mr. Speaker. It gives me great pleasure to introduce a fine group of students from Wakaw High School, who have witnessed, perhaps for the first time in their lives, the voting on the Budget. They are led here by their teacher, Mr. Bob Zadworny and their bus driver, Mr. Ron Thompson. Their trip here every year is a regular visit. They leave early in the morning. They are going to visit Ipsco and the Museum of Natural History. I am sure you will all join with me to wish them a very educational trip and also a safe journey home.

HON. MEMBERS: Hear, hear!

The Assembly adjourned at 1:03 o'clock p.m.