

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature

May 23, 1978.

EVENING SESSION

POINT OF ORDER ON BILL NO. 75 CONTINUED

MR. E. C. MALONE (Leader of the Liberal Opposition): — Mr. Speaker, when we adjourned at 5:00 o'clock I believe the situation was that the Attorney General had risen on a point of order seeking to block debate on this bill on the basis it involved government spending and I was about to speak to the point of order and if you will permit I will do so at this time, Mr. Speaker.

Let me put three propositions to you, Mr. Speaker, in connection with the point of order that is raised. Firstly, if the bill—and I say if—involves the spending of money, it does not involve government spending. It is a bill that is directed to three Crown corporations which are identified in the bill, SPC, Sask Tel and SGIO. We have heard on numerous occasions, debates in this Legislature indicating that Crown corporations operate separate and apart from government— if I can put that in quotation marks. So, on the face of it, Mr. Speaker, the bill does not involve 'government' spending. It involves, perhaps certain actions to be taken by three Crown corporations which are enumerated in the bill before the Legislature at this time.

Secondly, there is nothing within the bill that would lead this House to believe that there would be the spending of any money. Provided certain events occur, there may or may not be the involvement of, using the Attorney General's words, a charge on the public purse. That is, certain events have to occur before the public purse — if the Crown corporations deal with the public purse — becomes involved. That is, if the rates of the three corporations that are mentioned in the bill are less than what they were when people involved in the bill became the age of 65 years, there is no spending at all. That is point number two.

Point number three is that the bill, as proposed, does not ask the government or the Crown corporations to spend money. What it asks them to do is to not collect money. It is a distinction that may be fine. I concede that, but nevertheless a distinction; that is the bill, if I can turn it around, Mr. Speaker, does not say to SPC or Sask Tel or SGIO. You must give certain people certain sums of money. It doesn't say that at all; it says in effect, providing a certain factual situation is there, you must not collect certain sums of money and I suggest to you that although it's a fine distinction, I concede it does not involve any claim on the public purse.

So to sum up, Mr. Speaker, I'd say there are three things. Number one, it does not involve government, it involves Crown Corporations and I may say, I think although I cannot say with any certainty, I think that in the past we have had resolutions and bills before the House dealing with Crown Corporations and spending money, I can't think of an example right now. Number two, the events that the Attorney General suggests are going to involve the charge on the public purse, may or may not happen, and I don't think it's your role to anticipate events; just simply to see that the bill before you is in order and if certain events do occur, perhaps the situation will change. And number three, as I say the bill does not propose that moneys be spent, simply that moneys be not collected. So for any one of those three reasons, Mr. Speaker, may I suggest to you

with all respect, that the bill is in order and the debate should be allowed to proceed at this time.

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, if I may rise very briefly on the point of order and I want simply to comment on one point made by the hon. member for Lakeview.

With respect to whether or not the money is Crown Corporation money or government money, I would call to the attention of the House, the provisions of the relevant acts. I have The Power Corporation Act before me but the Telephone one is approximately the same, I'm not sure about the insurance one. But I quote section four of The Power Corporation Act which says/that all property real and personal and all moneys owned or acquired by the corporation and all profits earned by the corporation shall, subject to the provisions of Section 40, be the property of the Crown and the right of Saskatchewan. It shall be exempt from taxation of whatever kind, whatever nature and description.' The provisions of Section 40 are for these purposes not strictly germane, they refer to the fact that when the corporation borrows money, the interest payable on the bond shall be a first charge on the revenues.

With that qualification, all property real and personal is the property of the Crown.

Mr. Malone: — I can appreciate the difficulty you find yourself in with such legalistic arguments being put to you and the necessity for giving them some consideration, but I think it's a fact Mr. Speaker, this is likely the last private members day that we are going to be going through in this sitting of the Legislature and I would ask you if at all possible to make a determination now if you can so that we can either proceed with the five minutes that I have to speak on the bill, or know that it is out of order so that at a later session of the Legislature, we would not be re-introducing such a bill.

MR. SPEAKER: — Well as I said when I rose before, there has been a rather exhaustive study done of this particular matter, apparently by the Attorney General, and the comments pertaining to that by the member for Regina Lakeview. I want to take some time to study it. I assure the members that I will bring it in as early as I can. However, I have no way of knowing two things: (1) whether this is near the end of the Session, and (2) whether if I bring it in tomorrow or the next day it would be of any value to the members. .

I am just saying to the member that I don't feel that I can bring a decision in at this time.

MR. MALONE: — On a point of order, Mr. Speaker, related, but another point of order. When you are giving your consideration to this particular point, I wonder if you would give consideration as well to the obligation of the House leader or government members to rise when that has come on the order paper and to indicate whether in their opinion, it is out of order or in order. This matter has now been on the order paper for, I believe, a week. The first reading was moved. I believe I asked at that time to proceed immediately. No objection was taken so the matter has been here for some time and I wonder, and I say I wonder sincerely, if there is any obligation on behalf of government members, if they take exception to private members' resolutions, bills and motions, from whatever side of the House, to move with some dispatch to let their position be known.

MR. SPEAKER: — Let me take that under consideration at the same time.

COMMITTEE OF THE WHOLE

BILL NO. 46 — AN ACT TO ESTABLISH A HERITAGE FUND FOR SASKATCHEWAN.

ITEM 3

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Chairman, when the committee rose, the minister was going to give us the answer to two specific questions. Specifically, the minister was going to inquire of Mr. Cowley, although I assume that he is back in Europe and because I note he couldn't make it today but I understand how a long week- end can just get longer and longer, I wondered if the minister had had an opportunity to chat with his colleague and find out (and nobody wants to push them too much) but perhaps to within the nearest \$100 million, of how much they estimate our investment in the Potash Corporation is going to net for us this year?

HON. W.E. SMISHEK (Minister of Finance): — Mr. Chairman, I have not had an opportunity to discuss the matter with the hon. Provincial Secretary.

MR. W.C. THATCHER (Thunder Creek): — Mr. Chairman, on this Heritage Fund. Would the minister not agree that the basis for the removal of funds from this is that if the money is taken out of the fund for a Crown corporation, in a form other than that of a shareholder's loan to that Crown corporation, does the minister truly feel that that corporation involved is being realistic with itself. In other words, if it takes it as a straight interest free loan from the Heritage Fund, an interest free loan with no repayment schedule, do you honestly feel that it is honestly and truly reflecting the true costs of having that equity money? For if it goes out on a form of a shareholder's loan with a prescribed rate of interest, at least the going rate of interest with a fixed or prescribed repayment schedule, that at least the corporation is being realistic as far as the cost of its money — that is it is automatically providing a return to the taxpayers of this province, whereas on some of the other matters that you are proposing in this bill, that the Crown corporation is really kidding itself as to the cost of this money.

MR. SMISHEK: — Mr. Chairman, I do not find any difference in the case of any private company where the above individuals can get together and provide equity money. Now, that equity money does not draw interest. It is part of the investment in order to do business. I find that this is no different. In the Potash Corporation we invest a certain amount of money and provide the equity money. I don't find it in any way strange or peculiar or anything different to what private corporations do.

MR. THATCHER: — Mr. Minister, if I recall you have something to the effect of about \$338 million to \$340 million of equity money from the old Energy and Resources Fund in the Sask Potash Corporation. For the year under review, it seems to me that they showed a profit in the vicinity of \$890,000. Would the minister agree that, hardly are the taxpayers receiving anything even remotely close to a respectable return on their investment? And the Potash Corporation, having received this money on a totally interest free basis, without even a fixed rate of repayment, that this \$340 million is—

1. The taxpayers are not receiving a dividend, not an adequate dividend.
2. The cost of that money, the cost of declaring that money from any financial institution or for anywhere else, there is, I am sure you will agree, a cost there. There has to be. or in effect is the Potash Corporation really not kidding itself because if you paid interest on those dollars, and when I say \$340 million, you can correct me because that \$890,000 was not earned on an investment of \$340 million; it was about \$220 million or something to that effect? But, nonetheless, that is a pretty pathetic rate of return.

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Therefore, Mr. Minister, by putting it out on this basis, are you in effect not costing the taxpayers dollars?

MR. SMISHEK: — Mr. Chairman, it is unfortunate the hon. member was not here last Friday because we went through this . . .

MR. MERCHANT: — You didn't have the numbers . . .

MR. SMISHEK: — Mr. Chairman, is the hon. member asking a question? I think, Mr. Chairman. I have the floor. The hon. member did raise the question and I am going to try to deal with it.

Mr. Chairman, as I was saying we went through this very discussion last Friday and it was unfortunate that the hon. member wasn't here.

To be precise, the investment that has been made into the Potash Corporation from the Energy and Resource Development is \$343,553,715. That is equity money that has been provided from the Energy and Resource Development Fund and from the Potash Corporation. We have acquired the Duval Cory Mine, the Sylvite Mine, Alwinsal, certain AMEX operations and 60 per cent of Allan. This is the total investment that has been made out of the Energy and Resource Development Fund. It is equity money. As the hon. member will probably be aware, in 1971 when we took office, out of the total production of potash the province of Saskatchewan was only receiving about \$2.5 million a year, where this year we estimate that in terms of royalties and taxes we are going to be getting about \$108 million for the current fiscal year.

In the case of the annual report that was provided to this House by the Potash Corporation, the hon. member is aware, that the financial statement is for a period of only nine months where the Cory Mine was in operation under the Potash Corporation and the Rocanville, I think, was only under the Potash Corporation for a period of one month before the annual statement was produced. So I don't think it is fair to judge the profits of the Potash Corporation at this stage based on the partial annual report that was tabled in the Legislature when the full year's operation is going to reveal itself for the total 12 months of all the mines in operation and then I think we will be able to make some better judgments. In addition to that, as the hon. member is aware, certain expansions and renovations have been announced by the Potash Corporation where certain profits of the corporation are being used for the upgrading and renovation of the mines as well as their expansions.

MR. THATCHER: — Mr. Minister, I really didn't ask for all that rhetoric. What I asked for was something . . . well with your kind permission I will stick with my own terminology, thank you. I might also point out to my friends on my right that they don't do everything right either.

MR. MERCHANT: — I'm the only right wing over here.

MR. THATCHER: — To the member for Regina Wascana, I'm sure Napoleon's famous words that in Egypt he's a Mohammed and in Italy he is a Roman Catholic are very apropos in his particular situation.

Mr. Chairman, perhaps you could draw the yappy little fellow for the southwest or the southeast portion of Regina to order and we could resume with the Heritage Fund.

Mr. Minister, I really wasn't looking for all that rhetoric. I like (rhetoric) better. Mr. Minister \$890,000 is a pretty bad return and I can't recall exactly what the investment was but I believe it was around \$220 million. Now whether you are talking nine months or ten months, the fact of the matter is when one scrutinized that financial statement of the Potash Corporation (and I do not propose to get into a debate on the Potash Corporation) but when one scrutinizes that one, if there was or had been an interest charge before the equity funds that they required from the Energy and Resource Fund, they had a big, big loss on their hands. I think the point I am trying to make, Mr. Minister, is that the money you have advanced out of the Energy and Resource Fund to the Potash Corporation has gone out in the form of what you term in your Budget Speech as equity capital. It goes out, interest free, with no fixed rate of repayment. What I am suggesting to you is what you list as item 2 under non-budgetary transactions in your Budget Speech as a loan investment or to put it in more precise terminology, something very similar to a shareholder's loan. Now, if your money goes out of this fund, on the basis of a shareholder's loan to a Crown corporation, and I emphasize Crown corporation, and if the fund were approaching an equivalent rate of interest, or an equivalent to the going rate of interest is charged and, if there is a fixed rate of repayment, obviously the Crown corporation is adequately showing its expenses. Most important, the people of Saskatchewan, the taxpayers, are receiving what is, I suppose, proclaimed by your government, in a much heralded fashion, a significant return on their investment. So you're getting it both ways. The Crown corporation is showing a properly documented financial statement showing the true costs of their money. They are paying an interest rate which is going back to the consolidated fund, or however you choose to handle it, for the use of this money. And everybody wins. Mr. Minister, in way that you have dispersed money from what is now the old Energy and Resources Fund, I suggest that neither is true.

MR. SMISHEK: — Well, Mr. Chairman, I don't know what further I can add. We've said this is equity money. We did not expect to have immediate returns on that equity investment. I think it is safe to say that in the years ahead there will be sizeable returns to the people of Saskatchewan. I'm not in a position at this stage to predict the exact amount. It would be foolish of me to try to do it. Mr. Chairman, obviously we have a difference of opinion in the case of potash acquisition. I think that this Legislature has heard all the arguments, pros and cons on the acquisition of potash and the use of the Energy and Resource Fund for the acquisition of the potash mines. As a government we believe that this is a wise investment that future generations will be grateful for the decisions that we have made in the acquisition of potash mines and the overall resource management policy of the NDP government.

MR. THATCHER: — Mr. Minister, I have no intention of going into the debate on the potash industry. That will be rehearsed at some appropriate time, hopefully out in the election hustings and if the Premier ever screws up his courage to face the people, hopefully, that won't be all that far down the road. Since that isn't very likely, at this point in time or probably not even next year, I guess we won't have an opportunity to debate that one. Getting back to the general concept of equity financing and never mind the potash corporation. You've already indicated that \$40 million is going to go out of this fund into Saskatchewan Mining and Development Corporation. \$40 million is going out on exactly the same basis, interest free, with no fixed or prescribed rate of repayment. Again, Mr. Minister, I suggest to you, that you are trying to kid the Saskatchewan Mining Development Corporation and you are not doing them any favour because that \$40 million has certainly a revenue benefit somewhere in some position with the people of Saskatchewan. But putting it in there, into the Saskatchewan Mining

and Development Corporation, with no interest rate, no repayment schedule, you are not helping that corporation whatsoever. To suggest that interest is not a cost of doing business you are deluding yourself and that corporation is deluding itself. So, Mr. Minister, I suppose my question to you is, why is the equity money going in on an interest free basis to these resource development companies? Why isn't it going into Sask Power or Sask Tel, into the utilities? The contrast is really quite amazing because your debt to equity ratio just completely reverses when we get into our utilities. With the Potash Corporation our equity to debt ratio is about three to one, about \$340 million to about \$104 million in debt. When you get into Sask Power Corporation it turned around very drastically, it's about one to ten debt to equity.

Mr. Minister, I then pose the question to you, why in the case of our utilities are you going down to New York and making these very, very expensive borrowings in the United States and I might add, very risky borrowings? The interest rate is up drastically; I think you paid 9 1/2 on your recent issue of a couple of weeks ago. You are playing a very dangerous currency game. It appears that you may have made a real bloop on your \$44.5 million financing for SPC last year. I am sure we are all pleased to see that the dollar has risen about 2.5 points since then and hopefully that is all going to work out. Hopefully it is going to work out but nonetheless it is still a very dangerous and dicey game. So then my question to you then, Mr. Minister, is isn't it true that the reason that you are going this route to these resource companies like Sask Potash, Sask Mining and Development Corporation, is because these corporations have to compete with private enterprise? They have to compete against some of the best mines in the business either way and isn't it very true that if you didn't go this route they couldn't make the grade? If they didn't get their money on an interest free basis they would go under, that the only thing that is making them competitive is their low interest charges, their non interest charges.

Reverse that with SPC and Sask Tel. Now, of course, the difference there is we've got monopolies and the high interest costs that they pay and the high currency differentials that have taken place in the last two to three years or the last year in particular and what appears is going to be a fact of life for the next couple of years anyway . . . isn't it true that it is very simple to simply pad those things away in your power bills or in your telephone bills. If you tried that in the resource business those tough nuts out in the real world there would knock your corporations right flat on their backsides.

MR. SMISHEK: — The number of allegations that have been made that somehow the Crown agencies are inefficient and they are not able to compete with the private sector, I invite the hon. member to examine Saskatchewan Power Corporation, Sask Tel and compare those Crown corporations with any private company in North America, anywhere in North America, and he will find that they are as efficient, if not more efficient; that our rates are low, if not lower; that they are very efficient operations as well as providing a very important service to the people of Saskatchewan.

In the case of the \$40 million proposed for the investment in SMDC, this is part of a commitment subject to the Bayda Commission report and the decision that will be arrived there, of our energy expansion. I would hope that the hon. member does subscribe to the need for us to explore all avenues of energy development in this province, not only for ourselves, but for other parts of our country and to other countries in the world.

I might draw to the hon. member's attention that our neighbours to the West of us, for example, the province of Alberta one year ago, invested into the Alberta Syncrude

operation \$120 million in equity without a fixed rate of return; without interest bearing. It is an equity investment. They also invested into the Alberta energy company, \$75.5 million equally without interest or without any fixed rate of return.

I bring to his attention that also in the Syncrude operation the government of Ontario made an investment of \$ 100 million without a fixed rate of return or of any interest bearing.

So, Mr. Chairman, I think that, not only are we taking these kinds of steps for economic development and resource development, but other provinces are making investments into energy and resource development for a variety of reasons, whether it be for their energy development or whether they make the decision that it just good business to invest in resources of this country.

MR. THATCHER: — Mr. Chairman, Mr. Minister, you somewhere along the line didn't get around to answering my question and that was very simply, why is it that you have chosen to go this route which you term as the equity investments with no fixed rate of return. Why have you chosen to do this only in your resource industries where they must compete with the private sector, where they do not have a monopoly and where they must be competitive? But you have not chosen to do so when you've had massive amounts of money. You have not chosen to do that in our utilities that have the monopoly. We are not here tonight to compare Sask Power with Montana Power or California Power or anybody else. We are simply here talking dollars and cents. You have gone two completely different routes where your Crown corporation must compete and where it must not compete Again I will ask you, what is your philosophy and what is your reasoning behind it, other than the fact that I think it is fair game for us to speculate that for those Crown corporations that must compete in the private sector they couldn't do it without this arrangement? The other ones and the fact that they have a monopoly, the true cost can be very safely padded in to power rates or telephone rates or whatever else may be the case. Again I will ask you, why have you gone this route on the two different types of operation?

MR. SMISHEK: — Well. Mr. Chairman, we have been able to take this route because of, I think, a good sound management approach in the case of our resources. Because of the very fact that we established the Energy Fund, we are able to accumulate certain earnings to the people of Saskatchewan. We had the money and we were able to take part of that money and invest it into equities in the case of potash, also in the case of the Saskatchewan Mining and Development Corporation. They needed certain equity money. We used part of the Energy and Resource Development Fund to provide that equity money. May I also draw to the hon. member's attention that whether it is potash or uranium there are private companies in operation. We believe that our operations are being managed as efficiently and as effectively as those in the private sector. It's the matter of a government policy, a government decision and that's why we did it.

MR. THATCHER: — Well, Mr. Minister, I would like to get through this as quickly as anybody else would and so I will rephrase the question.

Why is the Sask Potash Corporation or Sask Mining and Development Corporation down there in New York floating a bond issue for their dollars and why isn't the Energy and Resource Fund putting its money into Sask Power? We'll do it in reverse. Simply give us an answer on that and if you haven't got one then say so. Let's move on, but for goodness sakes let's get by the rhetoric and let's get on with the business of the

Heritage Fund.

MR. SMISHEK: — Mr. Chairman, in the case of the Potash Corporation, we have borrowed for the Potash Corporation as the hon. member is aware, but we used a large portion of the Energy and Resource Development Fund as equity. The hon. Member raises the question that you borrow in the case of telephone and power and that's correct. These are well established and mature companies and with their expansion programs we are able to borrow money and in time, who knows, as to any future expansion in the case of the potash corporation or the Saskatchewan Mining and Development Corporation, they too may be going to the U.S. market or the Canadian market using the government to go on their behalf to borrow for their capital expansion project. At this stage we have made the decision to use part of the Energy Fund as an equity investment.

MR. CAMERON: — The minister will recall on Friday, when he was giving us a set of figures, about the moneys that had gone into the Energy Fund or the amount of money to go into the Heritage Fund, there was some discrepancy obviously between the figures that he was giving us and the figures that the Premier had given us on December 15th. I pointed out to him those discrepancies and asked why they existed and asked him to get the information to explain them. Can I have you come at it in this way? Surely, we can get this reduced. How much money, in total, went into the Energy Fund from January 1, 1974 to December 31, 1978? That is figure one. Maybe we'll stop there. I have a whole series of questions. What I would like to do is simply this: To take a couple of columns, first with respect to the Energy Fund, the column is — how much went in, that is cash inflow during that period and how much went out in that period. Please don't bother identifying for me the source of the income; I understand that. Please identify for me each one of the expenditure items, will you, for that period of time with the Energy Fund? Where I want to go is this, that this fund will commence as of April 1 this year. I want to know how much this fund commences with and exactly where the money comes from or the assets come from so that we can begin the Heritage Fund understanding exactly what is there.

MR. SMISHEK: — Let me try again, because I provided the figure to the hon. Member last Friday, \$605 million. That is rounding out the figure; it is really \$604,993,561. Probably for his purposes \$605 million for the period January 1, 1974 to March 31, 1978.

MR. CAMERON: — I would ask you, for simplicity's sake, to pause there. Why is there the discrepancy between that figure which you now give us and the Premier's figure on December 15? There may be some logical explanation for this; there probably is, but you haven't yet given it to me. I quoted to you last day from Hansard what the Premier told us and he said that he had made this calculation. He said there was \$620 million that had gone into the fund with this only caveat; he made an estimate of the last three months. So if you took the Premier's figures you would start now with \$620 million instead of \$605 million. As I told you on Friday, if we were dealing with nickels and dimes or even some hundreds of thousands of dollars, I might let it go by but I am determined to understand because we are dealing with such large sums of money. What accounts for the difference between his estimate as late as December 15 and your figure today of \$605 million, his being \$620 million?

MR. SMISHEK: — Well. Mr. Chairman, the figure that the Premier used was an estimate. What I have provided was the actual amount. There is a difference of \$ 15 million . . .

MR. MERCHANT: — What's 15 million among friends'

MR. SMISHEK: — Well, it's still a lot of money as far as I am concerned but one was the estimate and one is the actual figure. For the period ending March 31, oil companies owe in the order of \$7 million, so actually there was an over-estimate of about \$8 million.

MR. MALONE: — Is this low or are they refusing to pay or is it just a guesstimate of what would be coming in?

MR. SMISHEK: — No. This is what our estimate is that is owing at the end of March that they have not paid — about \$7 million.

MR. CAMERON: — Well this figure of \$7 million is what apparently the oil companies owe as of March 31. Now, the figure we were given some days ago was \$ 12 million owing by the oil companies. Now what accounts for that? Are you taking \$ 5 million for the month of April and May, even though you know that the period really is only a month and a half?

MR. SMISHEK: — But there is . . . I don't know who answered the question and for what period. (Inaudible interjection) All right, and remember that when he was answering during his estimates, I don't know what period he used. We are telling you that at the end of March . . . now, at the end of April, or mid-May, the amount will be larger if they have not paid — and it may be \$ 12 million as at mid-May.

MR. CAMERON: — Is there any other source here that would account for the \$ 15 million difference between the Premier's estimate — which was made, you know, in the face of three months to expiry of the year? As I say, it was made on December 15. I presume he took actual figures up until December 15 and then projections ahead to . . .

MR. SMISHEK: — The actual figures do not appear until the year-end. Up until that time they are always estimates.

MR. CAMERON: — I understand that they are estimates. I am now asking you, is there any other conceivable answer to the fact that the Premier's estimate was some \$15 million more than what you are giving us—and I understand you are saying \$7 million is accounted for by companies that haven't paid their taxes. I now ask you, what accounts for the other \$8 million? Now, just a moment. You say it is a matter of estimate and I agree with you. It may well be that it was a mis-estimate. But you know, the Premier is in the habit of estimating things rather carefully and you have got some years of experience upon which to make your estimate. I am asking you, purely and simply, is that just a mis-calculation in terms of the estimates or are there any other reasons that account for the \$8 million discrepancy?

MR. SMISHEK: — Well, I have no other reason outside of it being an \$8 million over- estimate.

MR. CAMERON: — All right, then we have got to square one. That is to say that the total revenue collected for that period January 1, 1974, to March 31, 1978, that went into the Energy Fund is \$605 million. That is the gross amount I gather. That is correct. In addition to that, there is \$7 million more apparently to come. But let's leave that aside for the time being. Give me now the Expenditure side, will you, item by item because I

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couldn't make those add up either.

MR. SMISHEK: — Mr. Chairman, I invite the hon. member to take these down, because I gave them to him on Friday at least three times — I gave them to him at least three times and I asked him to take these down.

MR. CAMERON: - Slowly.

MR. SMISHEK: — Yes, do you want them rounded out or do you want the exact figure?

MR. CAMERON: — Rounded out.

MR. SMISHEK: — All right, \$69 million to the oil industry for drilling credits.

MR. CAMERON: — Can I ask you to pause for a minute? The Premier, on December 15th said it was \$65 million and here you are now giving us the figure of \$69 million. Now, again, my question to you there is, what again accounts for that discrepancy? Is there any other reasons except an estimate that wasn't accurate?

MR. SMISHEK: — Mr. Chairman, again, this is a figure until the end of March. All the figures so far I have given are to the end of March, 1978. The Premier gave the estimates; I am giving you the exact figures. \$69 million for oil drilling credits. Is that going too fast for you? Grants under the Energy and Resource Development Fund regulations 1974, \$204,200. Got that? \$204,000, it is not millions, \$204,000; financial assistance under the oil and gas exploration development and production incentive regulations \$1,746,000; transferred to the consolidated fund during this period, \$105 million. The balance of \$429 million, out of that there is due to the consolidated fund \$75.5 million, due from the consolidated fund to the Heritage Fund, \$75.5 million. The Government Finance Office out of that total was given - and I am rounding out the figure - \$10 million.

MR. MALONE: — Sorry, you say out of that total. Out of the \$75 million or a separate distinct item?

MR. SMISHEK: — Out of the \$429 million. It is \$75.5 million will be transferred to the Heritage Fund
...

MR. MERCHANT: — Let me interrupt you again. The \$75.5 million I assume that's the \$75 million that you talked about the other day, which is being held by the consolidated fund for the Energy Fund. It is not money owing by the Energy Fund? All right, thanks.

MR. SMISHEK: — The money is in the consolidated fund as the hon. member put it and it will be moved to the Heritage Fund. I gave you the Government Finance Office, \$ 10 million and potash investment \$343.5 million. For a total of \$429 million.

MR. CAMERON: — You see, what is intending to confuse a little bit is that to some extent you are dealing with apples and oranges; you know, you are introducing oranges before we have completed the apples. I presume — am I wrong in this presumption - that you took some money out of the Energy Fund to fund the purchase of potash mines, right? First of all I asked you to give me the total amount of revenue received into the Energy Fund and you gave me that figure. Now I ask you to give me the total amount

of outgo from the fund. Well, suddenly you have passed on to the Heritage Fund before we have completed the Energy Fund. I want to know what expenditures there were from the Energy Fund; part of that expenditure was the purchase of potash mines.

Now, before you transfer in the equity from the potash mines into the Heritage Fund, please tell me how much money went out of the Energy Fund to purchase the potash mines?

MR. SMISHEK: — Mr. Chairman, has the hon. member got the figures of up to \$429 million straight?

MR. CAMERON: — That's where I'm at.

MR. SMISHEK: — That's where you're at. Now, let me go over it again so that you are not confused. You have the figure of \$605 million?

MR. CAMERON: — Yes.

MR. SMISHEK: — Do you have the figure of \$69 million for oil drilling credits? Under the Energy and Resource Development Fund Regulations was \$204 million. Another \$1,746,000 and the consolidated fund received \$105 million, leaving a balance of \$429 million.

Now, out of the \$429 million you now want the breakdown of what has happened to that?

MR. CAMERON: — Yes.

MR. SMISHEK: — All right, we invested in potash \$343.5 million. We provided the government finance office with \$ 10 million, that was for Saskatchewan Mining and Development Corporation, moved to the government finance office which is the holding company, certain Crown corporations, \$10 million. There is left in the consolidated fund, (Energy and Resource Development Fund) \$75.5 million. No money has been transferred into the Heritage Fund because the act is yet to be passed. Once the legislation is passed, then the Heritage Fund will acquire these assets of \$429 million, what has been invested in potash corporations, invested in the government finance office and the \$75.5 million that will be due from the consolidated fund to the Heritage Fund.

MR. CAMERON: — Now, you tell me the answer to one last question here. This balance of \$75.5 million — when was that money collected and how is it that it was not transferred to the Energy Fund?

MR. SMISHEK: — Mr. Chairman. I thought that I had this straightened out on Friday. It is really all the moneys that are collected that go to the consolidated fund. All right, now that \$75.5 million is part of the \$605 million. I can't tell you when the first portion of it. I suppose after January 1 of 1974, a small portion of it is that \$75 million. So it's really since January 1 of 1974; all the total accumulation and what is left in liquid funds is \$75.5 million as at March 31, 1978.

MR. MALONE: — Was that \$75.5 million ever in the Energy Fund or was it just sort of a bookkeeping entry as showed owing from the consolidated fund?

May 23, 1978

MR. SMISHEK: — That's correct. It's in a consolidated fund earmarked as a bookkeeping entry in the Energy and Resource Development Fund .

MR. CAMERON: — All right, I gather the \$75.5 million — am I right in thinking that was used for general purposes in exactly the same way the \$35 million a year over the last three years was used?

MR. SMISHEK: — Mr. Chairman, that money is invested in short term investments. It's not used for day to day operations.

MR. E.F.A. MERCHANT (Regina Wascana): — On a point of order. You write down my name, and you indicated that I would follow Mr. Cameron. As I understand it, we have now had a series of questions by Mr. Cameron and I assume that you will find that my name is written beneath his. I continued to rise Mr. Chairman, and was never afforded an opportunity, in your curious words, to be allowed to butt in and ask a few questions.

MR. CHAIRMAN: — By my list here, you asked a question in between, I thought that was your question.

MR. MERCHANT: — I did not ask a question in between, Mr. Chairman.

MR. CHAIRMAN: — I recognize the member for Thunder Creek.

MR. W.C. THATCHER (Thunder Creek): — Mr. Chairman, I think probably all the yattering he was doing about half an hour ago, you probably thought that was his line of questioning. I don't blame you because it was about at his level.

Mr. Minister, you have indicated that the Heritage Fund — I apologize for them. Mr. Minister, but they are beyond my control.

Mr. Minister, you indicated that the assets that Heritage Fund will be receiving will total — did you say \$429 million? Very well, Mr. Minister, in other words then, the Heritage Fund is going to consider its \$343.5 million investment in the potash industry as an asset in the Heritage Fund. Now, Mr. Minister, this goes back to what we were discussing some time ago. Since there is no repayment schedule for that \$343.5 million, they have probably no intention of every repaying it, if the same pattern runs true with Crown corporations. So in that case is it realistic to consider that as an asset, since that asset of \$343.5 million is not even paying you any interest. Therefore, Mr. Minister, you are simply playing with a bureaucrat's dream. You've got some paper going but you've got nothing productive coming back from that paper.

MR. SMISHEK: — Mr. Chairman, it is very much of an asset because those potash mines are worth a good deal of money, pay at a fair price and if we were to . . . I don't know what their value is at the moment but they are worth a good deal of money.

MR. CHAIRMAN: — Order please. Order!

MR. THATCHER: — Mr. Chairman, the last time I looked I think it was my line of questioning to the minister. I realize that the gentlemen to my right think that their questions are of paramount urgency and that the people of Saskatchewan could not live or draw another breath or see another sunrise until their questions are asked, but perhaps they could show a little bit of courtesy and a little bit of class which may be

beyond them and kindly await their turn.

MR. ROMANOW: — I move that the committee rise and report progress and ask for leave to sit again.

Motion to report progress on Bill No. 46 agreed to on the following recorded division.

YEAS — 23

Blakeney	Lange	MacAuley
Thibault	Matsalla	Feschuk
Bowerman	Robbins	Rolfes
Smishek	MacMurchy	Tchorzewski
Romanow	Mostoway	Shillington
Messer	Whelan	Nelson (Yktn)
Snyder	Kaeding	Johnson
Byers	McNeill	

NAYS — 8

Malone	Cameron	Nelson (As-Gr)
Wiebe	Anderson	Clifford
Merchant	McMillan	

SECOND READING

HON. A.E. BLAKENEY (Premier) moved second reading of Bill No. 76 -**An Act to amend The Ombudsman Act, 1972 (No. 2).**

He said: Mr. Speaker, this bill need not detain us long. It will be known to the hon. members that the salary of the Provincial Auditor and the Ombudsman are set by the Legislature each year in order that we might underline the independence of the Ombudsman and the Provincial Auditor from the governmental control as opposed to legislative control and we, therefore, are moving, through this bill, to increase the salary of the Ombudsman. The salary was previously \$37,500. Most senior public servants have received increases of the order of 6, 6 1/2 and 7 per cent. This increase proposed is from \$37,500 to \$40,000 which I think, works out to 6.8 per cent or thereabouts. It's very close to the 7 per cent figure which was the general guideline. The \$40,000 figure strikes us as being reasonable. It's the amount that is paid to magistrates and the increase of \$2,500 seems to be in line with what other people in approximately that bracket in the public service were receiving. There is nothing else in the bill except to provide that the salary shall be retroactive to the 1st day of October, 1977 and all the other increases for out-of-scope personnel were similarly made retroactive to October 1, 1977. I think that this bill will not be controversial and accordingly I move second reading of Bill No. 76 - An Act to amend The Ombudsman Act, 1972 (No. 2).

MR. E.C. MALONE (Leader of the Liberal Opposition): — I don't intend to speak at any length on this particular bill, nor do I intend to make comments about the amount of

money being paid to the Ombudsman.

I must say I am somewhat surprised to hear the Premier say tonight that this bill is being brought here on an annual basis because the Legislature controls the Ombudsman and the Provincial Auditor. This bill has been before us every year for the past three to four years. On each one of those occasions I, or my predecessor, have said to the Premier that this type of action is somewhat demeaning of the office of the Provincial Auditor and the Ombudsman to have their annual salary reviewed every year. Each year we have urged on the Premier and whoever brings in the bill about the Provincial Auditor that their salary should be paid according to the salary of a particular civil servant, be it the Deputy Attorney General or the Chief Magistrate of the Magistrate's Court or whatever. It doesn't matter to us. I find somewhat surprising your remarks this year that you do this as a habit each year to somehow indicate that the (in this case the Ombudsman) is under the control of the Legislature. He may be, but I say to you that each year you do this I think is somewhat demeaning of the Ombudsman and in the case of the Provincial Auditor, the Provincial Auditor.

Once again I urge the Premier, I urge the Minister of Finance, I urge the members opposite, to seek out some device so that this procedure is not necessary every single year.

I recommend . . . you, in your own words, talked about salaries being paid to Magistrates. If that's what you are going to tie the Ombudsman to, fine and dandy. But why do you not just bring in an amendment to the act saying that the Ombudsman will be paid at a rate similar to or the same as the Chief Magistrate of the province of Saskatchewan receives. We won't have to go through this next year, if we are here next year, and the year subsequent if we are here at that time as well.

Those are my only comments. I have urged it on you in the past two to three to four years. I do it once again.

MR. W.C. THATCHER (Thunder Creek): — Mr. Speaker, I would concur fully with the remarks made by the member for Lakeview.

Mr. Premier, we have been leafing through here to try to find the act to raise the salary of the Provincial Auditor. The Minister of Finance is not in his chair, but if memory serves me correctly I believe this Assembly (about a month ago) raised the salary of the Provincial Auditor to about \$35,000. Now I am subject to correction there and I am going strictly by memory. Mr. Premier, I would respectfully suggest to you that if the Ombudsman is worth the dollar that you are talking about in this bill. I think the Provincial Auditor carries a much heavier load and a much more onerous responsibility to the taxpayers of this province than does the Ombudsman and if both gentlemen must go through this (well I believe the member for Lakeview termed it . . .) well I have forgotten what his terminology was, but it is a bit of a degrading exercise. If they must go through this I do believe that some consideration should be made to the Provincial Auditor. Again, if I am wrong, Mr. Premier, on the salary that I quoted, I apologize and I take back everything that I said. I don't dispute the salary that you are putting forward for the Ombudsman. But if both people are going to be responsible to the Legislature then I suggest to you that you have the proportions very drastically turned around. We will support the bill.

MR. BLAKENEY: — Mr. Speaker, I will only add that I have some sympathy with the point taken by the member for Thunder Creek and we have made an exception of the Auditor

this year in the amount of increase which was significantly more than the 6.5 or 7 per cent. I think it was 12 or 13 per cent. At least it is an increase from \$35,644 to \$39,500, an increase of \$3,800 as opposed to what the Ombudsman is getting of \$2,500. I am not necessarily arguing with his point that if \$40,000 is right for the Ombudsman, \$39,500 is too low for the Auditor. These comparisons are difficult to make particularly among professionals but we have taken the point that he made (at least in part) and have narrowed the gap considerably. I think all in all the \$40,000 for the Ombudsman is not unreasonable. The point about whether it should be tied to something has merit. It is not always easy particularly if you tie it to one other salary because there may be reasons why (quite extraneous reasons) why you would wish to pay a particular sum of money to get, let us say, the Chief Magistrate of the Magistrate's Court, a particular person you wanted and in the course of so doing you might not want to pay the Ombudsman that amount or the reverse may be true. However, there may well be other ways to do it by way of making it the average of a number or something so that that particular point would not arise.

I understand the point raised. I don't know whether we can meet it. In any case I think we need to proceed with this bill in order that the Ombudsman receive the increase that others have received.

Motion agreed to and bill read a second time. . '

COMMITTEE OF FINANCE — EXECUTIVE COUNCIL — VOTE 10

HON. A.E. BLAKENEY (Premier): — Mr. Chairman, we have a number of them here. For Executive Council, we have on my left the Deputy Minister, Mr. Wes Bolstad. Immediately behind him, Mr. Philippe Dore, the Clerk of the Executive Council and Mr. Mel Hinds, in charge of Information Services. Some others will be around shortly.

MR. MALONE: — I may say to the Premier that he may need the others.

ITEM 1

MR. E.C. MALONE (Leader of the Liberal Opposition): — Mr. Chairman, Mr. Premier. I think it is fair to say that the tradition in this House the past few years that I have had the honour of being a member of it, since December 1 1973, has been to really just give a very cursory examination of the Premier's estimates, indeed, to extend to him a sort of a courtesy if you will, whereby (he Estimates of the Premier, the Executive Council, are examined in a cursory way as I say, for an hour — sometimes maybe an hour and one-half, maybe two hours. And indeed perhaps some of those earlier years when I was in this Legislature, that was an appropriate measure to be taken on these particular Estimates. But I say that this year we intend on not giving that courtesy (if it was a courtesy to the Premier and his Estimates) and indeed, we intend on giving a fairly far reaching examination, not only of the Premier's direct Estimates and as to how the Executive Council operates, but as to the whole record of the government of the NDP in the past one or two years and indeed what we see the future record of this government to be.

We believe that the Premier should be accountable in this Legislature for all actions of his government. We believe in the past two to three years, there has been a certain reluctance for the Premier to become involved and to speak out on the issues of the day. We believe that the time is now appropriate, to direct certain questions and certain

remarks to the Premier of Saskatchewan, in connection with the record of his government, in a number of areas and in a number of matters. We believe, Mr. Chairman, that this Premier and this government has a lot to be accountable for.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — There seems to be some sort of a myth or a riddle or a myth grow up about the Premier and the NDP government of Saskatchewan. It seems that the government can get involved in things like constitutional problems on Cable TV and the Premier runs away as if it wasn't his problem and it wasn't the problem of his government. He puts out firstly, the member for Regina Centre to deal with these problems and he fails miserably so he puts in the Attorney General to deal with those problems. All the while, when we are trying to ask questions in this Legislature, trying to get answers to those questions, we can't seem to find the Premier available when we want to bring these things to the attention of the people of Saskatchewan.

It's true indeed, that the Premier's record of attendance in question period is admirable — and I concede that. He is here. I believe, everyday that he is in the city, to respond to the questions in the question period. But we believe there is a certain weakness in question period. The custom of this House now is to allow one question and maybe two or three supplementaries, if it is a matter crucial in the opinion of the Speaker — and always the Premier gets the last word. Always we face the situation where we can't probe in depth, on the issues of the day, which we believe are his responsibility, not the Attorney General, not the Minister of Mineral Resources, not the Minister of Transport or some of the other ministers. It is the Premier's responsibility because he is, indeed, the head of this government and it is his ultimate responsibility as to which direction this government takes. It is his responsibility as well to explain some of the methods that this government has got the people of Saskatchewan into.

I want to, for a few moments perhaps, outline some of the areas of concern that we have in the Liberal Opposition and to give, if you will, the Premier some advance warning of the questions we intend to direct to him today, tomorrow and perhaps the next day. I think that there are a number of areas that the people of Saskatchewan are concerned about. There are a number of areas where they want to strip away the facade that has been built up between the Premier and the people of Saskatchewan and find out what he thinks of these issues and to find out what his policies are and the direction he intends on taking this government in future days, as to how those problems will be solved and what directions those policies will take.

Mr. Chairman. I was shocked last week when it came out that the government of Saskatchewan was again continuing its harassment of the man Walter Chester. I say the government of Saskatchewan is persecuting Walter Chester. I say that the actions of the Attorney General and the Minister of Social Services in regard to this man in Prince Albert are shameful at best and disgraceful at the worst. Let me just put to the Premier what your government, what you are doing to this man. You go back and you see this man involved in what I think anybody would concede who has a legal background, as a minor assault charge. Certainly he allegedly struck an inmate of the Prince Albert Correctional Centre and that is conduct which, if it was proven, should not be tolerated. But what has happened since then? We have seen members of the Department of Social Services, senior members, approach the Chief of Police for Prince Albert, approach the prosecutor, laterally approach the Judge who heard the case, approach senior members of the Attorney General's Department to demand that an appeal be taken. This was not because justice wasn't done. It was not because there

is some doubt as to the legitimacy of the decision and the sentence that was determined by that particular judge. It is because that particular department was somewhat embarrassed because of the decision. I say that that in itself is shameful. I say that Judge Ben Moore, who considered that problem and that situation, in his report to the government, identified that behaviour and his comments were well taken. But what has happened since then? We have seen an appeal, a successful appeal which was the right of Mr. Chester to take, an appeal that he was successful on. Now any government that had any concern for the public service, for the so-called employees of the public service who are in minor positions, would have immediately backed off the position. They would have reinstated Mr. Chester with all back-pay. They would not have put him to the problems of going through a procedure whereby he had to fight for his job. They would have conceded that they were wrong at the first instance. But no, what does this government do? They come in and they appeal the decision further. How do they justify it? The Attorney General rises in his place and says to the member for Qu'Appelle (Mr. Lane), well what we are doing is entirely appropriate; we have five senior officials — five of them, count them. Mr. Kujawa, Mr. Paris and three others.

The Attorney General thinks it is funny. But I say to you, Mr. Premier, how many times under your administration have you directed the Attorney General, the present one, or anybody else in your department or in his department to give such close scrutiny to what is a very minor criminal offence? I suggest to you, that what you are doing and what you are having your Attorney General do, which is your responsibility, is something out of Kafka. You're a well-read person. I suspect the Attorney General doesn't know who that is and I know most of your backbenchers don't. I suggest to you that it is something out of 1984, where big government has decided that they are going to take action and crush the small person who dares to defy them. I say to you, Premier, that that's something that you should be accountable for the people of Saskatchewan and the members of this Legislature. That's just one, perhaps small matter. Just relating to one small individual in the whole scheme of things in the province of Saskatchewan. But really, I think your government can be judged in how it's going to treat all of the people of Saskatchewan in the manner it treats one individual in Saskatchewan.

Let's move on to some of the other things that we want to talk about, the Heritage Fund. We had the Minister of Finance in here, on Friday, today, putting in an act which is going to be one of the most significant pieces of legislation that your government may have ever passed. What does he know about it? Absolutely nothing. We asked him questions, on Friday, about how much money here, how much money there? He can't tell us really on Friday how much money was there. He scurries around amongst his officials, comes up with a few figures. He comes in today and we ask him again to go over those figures and what do we get? The same figures, the same statements? No, we get different figures and different statements. Finally, the Attorney General has to bail him out by having the committee rise. Now, maybe, he did that to accommodate you, Mr. Premier, to get on at 8 o'clock with your Estimates. I don't know. It's certainly perceived by the members on this side of the House, that the Minister of Finance has been bailed out once again for his incompetency.

Let's go into the resource policy. You know we've talked about oil, potash, uranium and all the other great resources in this province, at length. I don't think it's really necessary to go through the potash debate again or the Bill 42 debate again. To be fair, I can see it appears you've done a good job with uranium. But look at the other two resources. You came into this House, several years ago, and you said to us: Pass this legislation. I need this legislation for two reasons; number one, for me to deal with the federal government and number two, to prevent all this money from being blown away in windfall profits to

the multinational corporations. What do we see now? In May, 1978, we still see confrontations with the federal government. We have a piece of legislation, Bill 47 on the books, which nobody has any certainty about, least of all, your government. And what about the money that was to be kept away from the multinational corporations? Mr. Minister. \$500 million to \$700 million has been blown by your government, not on programs for the people of Saskatchewan, not to have more resource development, not to encourage people to come into the oil industry or the potash industry or the forestry industry. Where has it gone to? To those same multinational corporations that you detest so much. In this case, the potash corporations, not the oil corporations. And where are we at in the oil industry? And in the potash industry in May, 1978? Do we have taxing legislation on the books that people have accepted as beyond challenge that the industry is paying under? Again, the answer is, 'no'. Three cases right now are challenging the potash legislation. I don't know how those cases are going to come out. What I do know is that if the government is unsuccessful in defending its position and all indicators are it will be unsuccessful because of the CIGOL case you're going to cost this province again hundred and hundreds of millions of dollars.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — We were told last November that you had to hurry that bill through. It had to be taken through by Christmas, if I remember the words of the Attorney General, because you were determined to not lose one penny of tax revenue from the oil industry. You wanted that particular bill through by Christmas so that the issue would be resolved. So the people of Saskatchewan, so that the oil industry, so that your government would know where we stand.

Where are we now in May of 1978? Do we have any tax regulations set? The answer is, 'no'. Do we have all the money coming into the coffers of the province of Saskatchewan that we should have? Again, the answer is, 'no'. The only reason that we're receiving money from the oil industry is because some oil companies for whatever reason have decided that they're going to pay their taxes under Bill 42 even though that bill is no longer the law in this province. Not only is that insufficient for you, what you're now trying to do is to tag on to those oil companies another little tax to cover the interest that may become an issue, if other oil companies decide to take you to court as CIGOL did. What you're trying to collect is not only the \$500 to \$600 million, or whatever you . . . collected under Bill 42. You are trying to collect another \$50 million just to protect yourselves. You know that is why the Minister of Mineral Resources has not set the tax rates. You know as well as I do that those tax rates will not be set until the Supreme Court of Canada has finally determined the issue.

Let's keep moving on into other areas. Let's go to the cable television issue. You know we hear a lot these days about how the province of Quebec is challenging the authority of the government of Canada. We are talking about what Mr. Levesque is doing. But I don't recall at any time Mr. Levesque challenging the authority of the CRTC and the federal government in the manner that your government is doing. Canadian unity, indeed. You sit back and you have your Attorney General, after the member for Regina Centre made a botch of the situation, acting in such a way where he is defying the law of Canada and there is simply no other explanation, that he is defying the law of Canada and at the same time if that is not good enough, you have him breaking written agreements between Sask Tel and the CRTC licensees.

The Attorney General, I believe, takes an oath when he comes into office. I am sure that that oath has something to do with upholding the law and administering justice. Never

in the history probably of this country has the Attorney General acted in such a way as this one does. I say to you, Mr. Premier, you are the one who put him in that position; you are the one who has caused this mess and you are the one who has to answer for it.

While we are talking about the Attorney General, you have him in the position now as House leader. We take exception to the actions of the Attorney General of last week. We don't take exception to him saying to us in private, if you are prepared to end the House, we are prepared to do something else. That, indeed, is part of his responsibility. But what we do take exception to, Mr. Premier, is the Attorney General running over and having a little chat with the member for Nipawin (Mr. Collver) and the member for Nipawin running over and having a little chat with the Attorney General, their heads together. Now, we are not sure what they were talking about, Mr. Premier. We don't think it was about the Pelly by-election. That was another discussion that they had. We don't think it was about SGIO and the lawsuit that the member for Nipawin is involved in there. We think, we don't know, but we think that the Attorney General was goading the member for Nipawin to get and make intemperate remarks that he did make. It may have been funny. Mr. Premier, at the time to those sitting over there and to those sitting to my left, but let me say to you, he is your House leader. We like this House to run, if possible, in an amicable way. We know we are going to have our disputes and our fights in public. We don't think we need to have those disputes in private.

Now, what you have done, Mr. Premier, what you have done is made us, in the Liberal Party, lose all confidence and all faith in the Attorney General. We don't believe that we can continue to have him operate in this Legislature as House leader unless we get assurances from you that we are not going to have the blackmailing tactics of last week; and we are not going to have the bullying tactics of last week.

I know the Attorney General was afraid of his Estimates. I know that he assumed that you would get your usual hour to an hour and a half ride. I am sorry that is not going to be the case. So I say to you, Mr. Premier, there are a number of things that we want to talk about. Let me go on to a few others.

Things like unemployment - 30,000 people unemployed in the province of Saskatchewan as of March 31, 1978. Over 7 per cent of the work force. Now, you rise up and you say, well that is not bad on the Canadian average; that is not bad compared to other provinces. Well, I ask you to remember the remarks of your Minister of Finance of a couple of years ago, when the national unemployment rate was much less than 7 per cent. That Minister of Finance said at that time that those figures were unacceptable. Mr. Premier, if they are unacceptable on the national level, they are unacceptable on a provincial level.

This is a province as well. It does not have large manufacturing interests where people are laid off whether it is an Inco situation or something else. This is a province that is still basically agricultural oriented. Believe me, to have 30,000 people out of work at a time when they could be working is disgraceful and I think you know it is disgraceful . . . Jobs today and energy tomorrow, indeed. If your government had acted in a manner that had one little semblance of being responsible from 1973 on, we would have had jobs today and more jobs being created and we would have had energy today, energy for our own purposes, energy for the rest of Canada, indeed, energy for the rest of the world.

Let us keep going on the list of things that we want to talk about. We want to talk about senior citizens. You know, I don't think I have ever seen, again, the Attorney General get up in this House and act in such a manner as he did earlier this day. We had a bill on the

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order paper which, I am sure, would have gone through with no problem at all if one of your backbenchers had put it on.

What are you afraid of? Are you afraid to give the senior citizens of Saskatchewan, who receive both the old age pension and the guaranteed annual supplement, a few extra dollars each month? Are you afraid to give them the certainty that when they become 65 they can at least do some planning with the limited income that they have? Are you afraid to give them some benefit of stable rates on SPC, Sask Tel and SGIO? The Saskatchewan Power Corporation and Sask Tel have enjoyed the highest profits in their history. We suggest that a very small amount of those profits could have been turned over to the senior citizens. It could have been turned over to them to allow them to lead a more meaningful and dignified life than what your government wants them to lead.

You know, I can appreciate how such a bill perhaps puts you in an embarrassing position. I can appreciate that you may have wanted to pick up the bill and say, look, it is going to cost us X millions of dollars — figures that I don't have and that I can't debate about because I don't have access to the records of SPC and Sask Tel. I can appreciate that you may have wanted to debate the issue and talk about other things that your government has done, very small things — sixteen cents per day for the senior citizens in this particular Budget, but for you to duck the issue, for you to take the cowardly attitude that you have taken once again is unforgivable.

I say to you, Premier, that the senior citizens of Saskatchewan are going to remember the actions of your Attorney General, remember your actions because you are responsible for the position that these senior citizens are in more than anybody sitting across from me.

A few more things — since this Session has started we have been trying to get from you the cost of Crown corporation advertising, the family of Crown corporations. We've got questions on the order paper. I have asked you questions in the daily question period and so have my colleagues. So far we have received not one scintilla of fact from you as to the cost of these ads, as to why they are necessary, as to how long the campaign is going to run, as to how long the people of Saskatchewan are going to have to put up with this political propaganda that they are paying for.

Now I can understand why you would want to duck such an issue. It is not a very pleasant issue but I say to you again that we are determined to get those figures from you on your Estimates and we are even more determined when we see the type of elections act that you bring into this Legislature.

You look at that elections act, and again, the only conclusion that one can draw (any independent, fair-minded person can draw) is that that elections act is loaded for the government and it puts both opposition parties at a very bad disadvantage. Then you get up and you say, well, we're going to let you spend \$50,000 in one year on advertising and \$ 50,000 a year sounds like a lot of money. I suspect that in the past, we in the Liberal Party have probably never spent that amount of money. But say that we did want to. That is our decision. For you to say that we can't spend our money in the way we see fit is simply muzzling the democratic process, simply putting an end to our rights of freedom of speech, as a political party.

Now, you will come back and say, well, we've got the same restriction. But you don't have the same restriction. You've got the Treasury of the government of Saskatchewan to spend until it is exhausted, advertising every program that you see fit to advertise.

How much has been spent on these Crown corporation ads? How much is budgeted for this year? How much is budgeted for next year? I think the people of Saskatchewan are entitled to know exactly how much of their money you intended on wasting.

The list keeps going. Look at the labour-management situation in the province. They are not going to talk about the construction strike and they are not going to talk about the other difficulties that are being faced in that particular sector. I read this Leader Post page to you today or to your Minister of Labour. You've got nurses unhappy; you've got outside workers in the city of Regina unhappy; you've got members of the Mill Rights Union unhappy; you've got your own employees of the Saskatchewan Housing Corporation unhappy. I say to you, Mr. Premier, the people of Saskatchewan will not tolerate any longer the continual industrial unrest that we faced in the years before wage and price controls. I say to you that as Premier you have a duty to ensure that industrial unrest does not reoccur once again.

You get up and you say, well, we've had 390 collective agreements arrived at and settled this year. That's fine. I say to you the proof of the fact that that so-called free collective bargaining process is not working is that four or five or six collective bargaining agreements are not settled. It means that many, many thousands of the people of this province are going to be badly inconvenienced. Many of them are going to suffer a loss of income in their daily lives.

Now, you said in question period the other day, that the strike is part of the collective bargaining process. I ask you to go out in the country and sell that message, Mr. Premier. I ask you to go out and tell the people in rural Saskatchewan that you believe that the strike is part of the whole bag. your comments as Premier of Saskatchewan, in my view, in my personal view do nothing to help the situation. Indeed, it puts people in the position that they say, if the Premier of Saskatchewan says it is all right to strike indeed then we will take that course of action and we will strike.

I suggest to you that there are many things you can do to help the situation that is now. The Minister of Labour gets up and he says, well, what are you saying - back to work legislation? I'm not saying that at all. The problem with some people over there is you think in extremes. It is either to the extreme right or to the extreme left. When you get the labour situation, you think you have an option of two ideas, one, to do nothing and the other idea is back to work legislation. I say to you that there is a vast middle ground, a vast area where you can respond as a government in a meaningful way. But what has been your answer? Your answer has been to say, I believe in the strike as part of the free collective bargaining process. I suggest to you that many of these unions will take that as an open invitation to get out on strike.

Let's keep moving, your government ... (interjection) ... We'll get to that a little later. Your government can't even take something like the Education Bill and not just leave it alone and try to come out with a bill that is going to help the students and the parents in Saskatchewan. You've got to play politics with it. You've got to set out a white paper that takes one position. Then you bring in your Minister of Education and he takes a position diametrically opposed and he pulls that bill and he comes in with another bill. He continues to play politics. He says, let's see how far we can push the STF and the teachers. Let's see how far we can get them in a corner. We think we've got them in our hip pocket and we can do anything we want and we'll still get their vote. You try that and the STF get up and, quite properly so, calls you on it. Then you give in to the STF because you think the trustees are not going to react. Then you find the trustees react in

a very meaningful way and you've got to back off from there. I say that you and your government couldn't care less about the quality of education in Saskatchewan. What you do care about is playing politics with the children of Saskatchewan to curry favour with the special interest groups that are involved.

Well, let's again keep going — health. We have the Minister of Health getting up today -and saying, there's nothing wrong with the Blair Memorial Clinic; there's nothing wrong with the cancer clinic in Saskatoon. All of these things that have been taking place are just sort of myths, or lies, or somebody trying to play politics with the health care of the cancer patients of this province. I suggest to you that even the most cursory examination of those two institutions will show that there are very, very deep problems, very serious problems. This weekend I had calls, not from the doctors, not from the patients, but former employees and current employees of those two institutions. I'm not going to name them because I know what will happen to them if the Minister of Health gets the names. Those people will no longer be employees they will be former employees. These people aren't particularly NDP or Liberal or Conservative. They are people who have a genuine concern for the care of the cancer patient in Saskatchewan. They see those two clinics deteriorating under your administration, not the Minister of Health, your administration. Let's keep going. We have one of the most grey social issues in the province of Saskatchewan right now. That is the problem facing our Indian and Metis people, not so much living on reserves but those living in the cities and in particular, the city of Regina. I have been trying to urge on you for the past two years some course of action to alleviate the situation, some course of action that would at least help those people, those children of the senior Indian and Métis people of Saskatchewan and Regina realize some meaningful place in society. What has been your response? Nothing, absolutely zero. You realize as well as I do that a significant portion of the people of Saskatchewan or the people of Regina are Indian and native people. I believe the estimate is 30,000. I suspect that of that 30,000 the wage earners within that group a very, very high proportion are unemployed. I would suspect that it would be about 75 per cent who are unemployed. I don't have figures to back that up but I can look around the city and I can see who is unemployed and I can talk to people who I know are unemployed and I know that that high percentage is there. What has been the policy of your government? Do you have special training plans for them? Do you have any educational programs for them? Do you have anything to do with the children who are going to be caught up in this web again of living on welfare? I suggest to you that you have no plans, programs or policies. What you are doing is playing with dynamite, Mr. Premier. It is going to explode one of these days right in your face.

Let's keep going again, Mr. Premier. These are not all of the things we are going to talk about; there are a number of others. Let's just talk about something that is near and dear to our hearts in this Legislature. That is the order paper. On this order paper on Private Members' Day there are a number of resolutions on there that can be described as strictly political. We have put them on, the Tories have put them on, members in your back benches have put them on. But there are some other resolutions that are not strictly political, resolutions that would work to the benefit of the people of Saskatchewan if they were adopted or even if they were debated in a meaningful way by your backbenchers or your frontbenchers or indeed, you yourself. Just look at these things. There is a motion to tell us about the destination and passenger list of government airplanes; that is a political resolution but we put that on there advisedly. Your government has made great light of certain problems being faced by the Minister of Transport and his travel activities. I say to you at least he had the guts to disclose them. Where are your guts? Where is your position on this? No information at all.

Let's keep going. There is the Act to amend the Fair Accommodation Practices Act. There isn't a member who sits on that side of the House who does not believe in that act, that you don't have the Act to amend the Saskatchewan Bill of Rights Act; again nothing. An Act to provide for an economic impact statement to accompany government bills introduced to the Legislature; again nothing. An Act Respecting The Right of The Public to Government Information; I can understand why you are reluctant to have that act proceed. An Act to amend the Saskatchewan Development Fund Act — act after act, resolution after resolution has been proposed by opposition members. These are meaningful resolutions that are not political in context, that are not political in the sense that we are going out in the hustings to talk about them. I don't think most people in this province even know what the Fair Employment Practices Act is. But I say that those acts and the amendments suggested to them, would help the people of Saskatchewan and would work for the benefit of the people of Saskatchewan. But you take the same attitude that you take on the Senior Citizens' Act to help them. Unless you are going to introduce the legislation you turn a deaf ear to it and you won't let anybody debate it and you won't let anybody talk about it in the Legislature.

Let's talk about a few other things. Let's talk about the Pelley by-election. The Pelley by-election has been exhausted as a topic of debate, perhaps.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — But I don't want to talk about what the Attorney General says. I don't want to talk about what Carol Bryant says. What I want to talk about is what you didn't say. You are the minister in charge of that off ice. You were peppered day after day with questions on the issue. And what did you do? You ducked. You didn't have the guts to get up in this House and respond.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — What I am talking about, Mr. Premier, is that there are many, many issues in this province, many issues that I have identified and more which will be identified in the days ahead. If you had stood up in this House and took the lead on those issues, if you had talked about resource taxation, if you had talked about the Pelly by-election, if you had talked about the Chester case, all of this wouldn't be necessary. But you know as well as I do that what your party and what your government has done is they have tried to make you Mr. Clean. They have tried to say that these issues that I have identified are not part of the Premier. He's away somewhere else. He's not going to get his hands dirty on the Chester case. That's not his fault. He's not going to get up and defend the lack of policy in getting an oil tax in the province of Saskatchewan. That's the Minister of Mineral Resources case. He is not going to talk about senior citizens. He is going to get his Attorney General up to advance some lawyerish argument to prevent that matter from being debated.

What you are trying to do as a party and what you are trying to do as a Premier is try and rise above the issues of the day. I say to you, Mr. Premier, that you are not rising above those issues, that today and tomorrow and the next day, if necessary, we intend on talking to you about those issues. We intend on finding out what you think about those issues because they are your policies. They are your policies, they are your acts, they are your mistakes and, indeed, they are your triumphs in the odd case. But we are not going to sit back here any longer and let the Premier of Saskatchewan get away from his utmost responsibility and that's reporting to this Legislature.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — Let's move on to one other topic. It's a topic that is very dear to me and I think dear to everybody in this Legislature and that's the topic of national unity.

Let me say to the Premier and give him credit, because some credit is due, the Premier deserves the credit for going out and identifying the issues that I am talking about. I say that you deserve credit for that. I say that perhaps more than any other Premier in this country you have gone out and stated some of the things that you would like to see done on the national unity question.

I would like to be able to say though. I would like to be able to say tonight, that you did that from one motive and one motive only and that was because of a belief in confederation and a belief in Canada. I say that perhaps that's part of your motive. I say that I sincerely hope that that's the greatest part of your motive, that belief in Canada and confederation. I suggest to you that there is a deeper and a darker motive, a motive that you, if you did not dream up, you at least accepted from your political advisors, that was to put yourself in a position where the people of Saskatchewan would forget about the problems of the day in this province.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: —As the member for Wascana so aptly puts it, he delegates the province of Saskatchewan to his Cabinet colleagues and tries to get away from these issues that we have talked about and we are going to talk about and tries to focus in only on one issue. I say that notwithstanding the pure and proper motives that you have, there are darker and deeper motives, motives that your party has put together to try and put you on a pedestal, to try and get you away from the mess your government has made of just about everything it has touched in the last four or five years.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — Let me say if there was some consistency in the Premier's statements on national unity that I wouldn't be saying these things tonight. Let me say that there has not been consistency. What you have done is you have gone out and you have tested the political wind and you tried to see what direction it was blowing and if it happens to be blowing in favour of Mr. Levesque then you get up and you make favourable comments about Mr. Levesque. If it happens to be blowing against Mr. Levesque, you then get up and you attack Mr. Levesque. If it happens to be blowing in favour of Mr. Ryan, you get up and you speak favourably of Mr. Ryan. I suggest that if two months or six months from now there is some other figure on the scene, some other political figure on the scene who talks in a way that the people of Canada accept about national unity you will be up accepting what he says.

Now let me give you some details as to what I say. Let me give you some details. Let us go back to November of 1976 . . . (inaudible interjection)

MR. CHAIRMAN: — Order. Order please. I would like to ask all members to . . .

MR. MALONE: — . . . shortly after the election of Mr. Levesque. I don't think it's overstating the case to say that he was riding a crest of whatever popularity he achieved. I don't think it is unfair to say that Mr. Levesque's election was greeted with approval by many people across Canada. What was your position at that time? Was it a

position of suspicion? Was it a position of distrust of what Mr. Levesque and his government stood for? I suggest to you that it was anything but.

I refer to a newspaper headline in the Globe and Mail. A headline that says:

NDP Premier sees an alliance with PQ. The Premier of Saskatchewan's New Democratic Party government has held out the possibility of a future NDP- Parti Quebecois alliance in federal elections if an independent referendum fails in Quebec. Premier Allan Blakeney, while stating his party is clearly against the separation of Quebec from Canada, said at a press conference that he believes the social democratic nature of the Parti Quebecois makes it a natural ally of the NDP. The Premier believes the presence of the PQ has prevented the NDP from gaining a foothold in Quebec. Mr. Blakeney said his government is prepared to offer any assistance that it can to help the new government of Quebec set up a program of public automobile insurance that the PQ promised during the election campaign.

Further on:

A future NDP-PQ alliance could well resemble the present Quebec alliance between the federal Conservatives and the Union Nationale.

We brought this line to your attention during question period a day or so afterwards I believe my predecessor, when asking you the question, said that it was an unfortunate headline. I think all of us believed that it was an unfortunate headline until we saw the actions of you and your government, then and immediately afterwards. It wasn't an unfortunate headline; it was an accurate headline. It was perfectly accurate. You intended on giving whatever co-operation you could to Mr. Levesque. You intended on helping him in any way you could.

Shortly after we questioned you on that, one of the senior Quebec Cabinet ministers was in Saskatchewan. She was introduced by the Minister in charge of SGIO to this Assembly. Your government introduced her; your government invited her here no doubt to take advice from you as to automobile insurance. You shake your head. The important point is, she was here.

But let's go on a bit, let's go on a bit. Last year, in July Mr. Levesque made some proposals about reciprocal language rights in Canada. At that time I think every leader of every province, every Cabinet minister in Ottawa, every leader except yourself, saw through those proposals. He wasn't sincere about reciprocal language rights in Canada. What he was trying to do, was to get the Premiers to the bargaining table away from the influence of Ottawa, and try to sell to the Premiers a plan, any plan, so that if they were dumb enough to accept it. his next step would be to go publicly and say two things: (1) we don't need the Prime Minister of Canada; we don't need the federal government to help us through this particular crisis; we as Premiers can sit down and discuss these things on our own and make our own decisions. (2) He would then be saying, well, we have solved the language question let's start talking about economic sovereignty for Quebec.

Every Premier in the country, except you, saw through that. Every Premier and every leader in this country saw his tactics. But what was your reaction?

July 22. 1977.

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At first sight I think the Levesque proposal for reciprocal language rights all across Canada is an interesting one. I am impressed with the general approach.

Your own press release, press release dated July 22, 1977, Information Services. But it wasn't long after that, indeed, just a matter of days, when you tested the political wind and you found which way it was blowing and you found out that the people of Canada saw through the Levesque proposal. When you saw all the other leaders of this country saw through the Levesque proposal, who goes down there and acts like Captain Canada as the hero? The Premier of Saskatchewan. What does he say less than one month later?

The Quebec government proposes the children of English speaking Canadians moving from Saskatchewan to Quebec, should have rights different from children of non-English speaking Canadians moving from Saskatchewan to Quebec, Mr. Blakeney said. This is incompatible with the idea of Canadianism shared by the great majority of the people of Saskatchewan.

It was incompatible in August; it was incompatible in July. I don't think there is any startling differences between the proposals Mr. Levesque made in July then he made at the conference in August. The difference was that you have hadn't tested the political winds. You were up in Prince Albert or northern Saskatchewan when you issued this release in July. You didn't know what the rest of the country was thinking so you took a chance. Then you realized how the political winds were blowing and you decided it would be pretty politic for you to change your mind.

Let's keep going. Now where are we at? We have had some dramatic developments in Quebec. We have had Mr. Ryan accept the leadership of the Liberal Party. We have seen Mr. Ryan make many statements. We have seen Mr. Ryan being accepted by people all across Canada as the only person who can beat Mr. Levesque. We haven't seen much of an examination of what Mr. Ryan has proposed. That is going to come later. But, Once again, which way is the political wind blowing? Which way is the political wind directed? It is towards Mr. Ryan. Who is jumping on the bandwagon? Who is going before the Rotary Public Club in Regina and saying what direction he is now going? The Premier of Saskatchewan!

He is now saying that Claude Ryan is the saviour of Canada, not Rene Levesque. In 1976 Rene Levesque was the person who was going to accomplish this, now it is Claude Ryan.

What I say to you, Mr. Premier, is if you had a position or if you had enunciated policies specifically, precisely, which is what you are known for I would not be up saying these things. I am up saying them because anybody who sits and examines your course of action, since November of 1976, will come to two conclusions. 1. You are concerned about Canada and confederation, but, 2. You haven't got the slightest idea how to preserve it.

What you do is you see the direction of a political wind, again, and you go in that direction without any thought of which way you are going. I say to you, that a reading of your statements to the press, your speeches to service clubs, your speeches to the Law

Society, when you go through them you find a lack of precision there which is surprising when you know your past record in this government in Saskatchewan.

We see references to accommodations; we see references to agreements; we see references to people giving here and giving there, but never do we see any specifics, never do we see the Premier of Saskatchewan get up and say, if they will give in on resource development we will give in on language rights. Perhaps, I am being unkind. Perhaps, this is not the time to make those statements, but I say to you that this has been going on now for almost two years and I say to you that it's time that you came to this Legislature you came and told us as dually elected representatives of the people of Saskatchewan what your plan is on confederation. Where do you stand on the issues?

Earlier in this Legislature, I invited you and I invited the member for Nipawin to accompany me on a non political tour of the province to talk about national unity. I think that such a tour, such a program of events would have had a great deal to bring to the people of Saskatchewan, an understanding of the issues we are facing. I say to you that the people of Saskatchewan have looked to you as Premier of this province to talk about those issues in a precise and detailed way. And I say that you have not because you haven't judged the political winds as yet. You have not because you don't know which is going to be politically acceptable. When you decide what is going to be politically acceptable, you may then determine to say something to the people of this province and to the people of Canada. But to date, to date while you have got headlines, to date while you have got recognition across this country, to date while you have been able to escape the issues that are of equal concern to the people of Saskatchewan, you still have not come to grips with the problem, I say to you Premier, that now is the time, now is the time to tell this Legislature what your position is on the matters that are not identified, what your position is on national unity.

MR. BLAKENEY: — Mr. Speaker, Mr. Chairman, first I should perhaps say that I regard my function in estimates as primarily to answer questions addressed to me and not to debate assertions made by members opposite.

However, some of the assertions are such as call for some comment and some of them in the course of answering questions will necessarily blend over into assertions rather than strict answers.

First, let me try to come to grips with some of the basic objections made by the hon. member. He objects because our government does not always speak through the Premier. He objects because on matters dealing with the Department of the Attorney General, the Attorney General speaks. He objects because on matters dealing with Finance, the Minister of Finance speaks. He objects because on matters of Mineral Resources, the Minister of Mineral Resources speaks. I say to this House that it is appropriate for a government to have a team, it is appropriate for a cabinet to operate in a team work fashion and I recommend the idea of team work to members opposite of the Liberal caucus. They obviously have no idea what team work is. There is one situation that you can be sure of with the Liberal caucus; they will not be speaking as a team. They will be speaking with six voices or one voice, but whatever it is, it will be the voice of the speaker but not the voice of the caucus.

Certainly, in my judgement, in a government which is dealing with \$ 1.5 billion and many, many complex issues, it is total nonsense for a Premier to try to be the master of all issues with which the government deals. And I am not the master of all issues with which the government deals and I want to state frankly now that I do not have at my

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disposal all the answers to all the questions you can ask about all the detailed amounts spent, in all the government programs amounting to \$1,500,000,000. That is not my job. My job is to give general direction to the government and to be responsible for the general direction which this government takes. I am responsible and I am proud of that general direction with respect to either or not I report to this Legislature, I say to members opposite, that I sit in this House during question period more than any other premier in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — And if members opposite don't ask me questions that is not my fault. Furthermore I have a weekly press conference, almost without break, more press conferences on a regular basis than any other premier in Canada. The members opposite can say that that is not responding either to the press or to the Legislature. I assert to you that I am available for questions. I'm available to answer your questions. I sit here day after day and you direct questions to that minister or another minister, as is your undoubted right. But having asked the Minister of Agriculture what he thinks about the milk crisis, then do not belabour the premier because he doesn't answer.

Now, I want to come to one other issue. That is the matter of the national unity issue. I am accused by members opposite of acting in an undercover way so as to elevate myself on a pedestal. Now that's no mean feat, I may say, to get yourself on a pedestal in an undercover way, no mean feat. But having achieved that, apparently, as is alleged by the member for Lakeview, he then says I have been taking positions which are not precise and which allow me to move from one side of the issue to the other. I invite him to name any other premier in Canada who has gone on the record more often on the national unity issues than myself, with the possible exception of Rene Levesque.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I invite any hon. member to look at the series of speeches I have given, in April in Montreal, to the Canadian Bar Association in August, to many, many others, to the Banff conference, to the Rotary Club as the hon. member just indicated, to the Men's Canadian Club in Vancouver, a couple or three weeks ago. And I say that they are totally consistent. They obviously do not lay out a blueprint for saving Canada. I do not take onto myself the mantle of the saviour of Canada. The member opposite says I do not take it because it would not be offered and he's entirely right. He's entirely right. There is no suggestion that I am, laying out a blueprint to which all 22,000,000 Canadians will flock with banners flying. The suggestion that the Premier of Saskatchewan should do that is a criticism based on fantasy. There is no justification for believing that the Premier of Saskatchewan or that the Premier of any other province, at this stage of the game, could lay out — could lay out a blueprint for a successful resolution of the national unity issue.

We have got the Pepin/Robarts Commission, attempting to arrive at some sort of a framework; we have the Canadian Bar Association and their committee meeting two or three days a month, to come up with some sort of a blueprint; we have the Royal Commission in Ontario coming up with a blueprint; we have the Canada West Foundation coming up with a blueprint. The suggestion that somehow one premier can evolve a blueprint which everyone is going to accept, is as I say, sheer fantasy, sheer fantasy and to belabour any premier, me or anyone else because he is not coming up with, quote 'precise proposals as to where he stands on issues' is. I say, sheer fantasy — fantasy.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — And it demonstrates a total lack of appreciation of where the debate is, a total lack of appreciation of where the national unity debate is. The problem is this. There is no way, at this stage that anyone can put any definite proposals on the table that will not be rejected by Mr. Levesque. That. I think, is clear. (Inaudible interjections)

I doubt, Mr. Chairman, whether it is worthwhile to attempt to discuss this issue, but I will try. (Inaudible interjections) I will try to state what I believe the issue is in Canada and where we are in this debate.

In my judgment, (inaudible interjection) — Mr. Chairman, I think I will lay this subject aside because it is obviously a subject of some merriment for members opposite who don't want to hear my views on it and that is all right with me. I will present them in a forum where some people will listen, as I have done elsewhere . . .

SOME HON. MEMBERS: Hear, hear.

MR. BLAKENEY: — I will deal with some of the other issues, the hon. member has raised, and I will deal with them, one by one.

Firstly, with respect to how many times I have directed the Attorney General to lay a prosecution or not to lay a prosecution or to have five members of his prosecutorial staff examine the material for prosecution, the answer is, none and I say to you that notwithstanding the practices of the previous government along this line, if there were such practices, it is the practice of this government for the Premier not to intervene in the criminal justice system in this province.

The Attorney General is the chief law officer of the Crown. He is doing an outstanding job as the chief law officer of the Crown and he needs no direction from me and he will get no direction from me on what cases should be prosecuted and what cases should not be prosecuted. If the hon. members opposite think that is a failing of the office of the Premier it only indicates once again that they do not understand the appropriate function of the first minister. The appropriate function of the first minister is to have an Attorney General in whom he has confidence and repose in him, the full confidence to make judgments based upon justice and not upon political expediency. I have that confidence in the Attorney General and if members opposite do not, they then may have their view but I say on the record that the administration of justice in this province has never been in finer hands than it is with the present Attorney General.

Let's move on, this particular world that the member for Lakeview was erecting, made up of equal parts of Franz Kafka and George Orwell, I didn't understand what issues he was raising which was Kafkaesque and which was Orwellian but so far as I was concerned, he was making no particular logical sense . . . (inaudible interjection). Well. I am sure that the hon. member for Kindersley (Mr. McMillan) knows a great deal that I don't know and I will be delighted when he enlightens the House on those points.

Let me go through them one by one. With respect to the Heritage Fund and the rather unusual view of members opposite that when we are proceeding with legislation, it is the obligation of the minister to have at his side all of the figures of the amount in the Heritage Fund when there is, on the Blues, a very clear and proper place to debate those, and that is in the Estimates. It is simply improper; it is an inappropriate use of the

procedures of this House, for which members opposite show little concern, to ask a minister when a bill is coming through, all of the items with respect to the financial administration of that bill when there is still to be discussed the Estimates where those questions are appropriate and proper. Yet, we have here, as I saw tonight, a minister being asked all manner of questions about how much money was in the fund at this state back then and the next state, not of the Heritage Fund, but of the Energy and Resource Development Fund, and when he did not have these figures immediately at his fingertips, there were suggestions that somehow he was failing to give the House information. The facts are that he was not in any sense obligated to give that information on those questions and if the member for Regina Wascana (Mr. Merchant) does not understand, as I am sure he does not, when he should ask questions about figures and when he should talk law, then I wish the member for Kindersley who is so well informed on these matters would instruct the member for Regina Wascana.

SOME HON. MEMBERS: - Hear, hear!

MR. BLAKENEY: — Let me go to the next item. Members of the Liberal party, and I want people to note this, members of the Liberal party are once again deploring the fact that Bill 42 was passed. I note that they are nodding in assent to the proposition that they feel it was wrong for our government to pass Bill 42. We are glad to have that point underlined. We are glad to have the point underlined that they would certainly have given this close to \$500 million to the oil companies. They have had, since 1973, their opportunity to put forward their alternative. They have not put forward any alternative. The Conservatives have at least put forward an alternative. They have put forth the alternative of the Alberta system of taxation. The Liberal party consistently opposed Bill 42, campaigned in 1975 for the repeal of Bill 42 and if this province ever had the misfortune to have a Liberal government again they would undoubtedly repeal Bill 42 and all of its successors . . . (Inaudible interjections) . . . We are pleased to have underlined the fact that you still continue to oppose Bill 42 and Bill 47 and you continue to appear in this House as the advocates of the oil companies who you say should have those hundreds of millions of dollars.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — You have offered no alternative. You have continued to believe that that was bad law and that its successor was bad law and that the people of the province should not have those funds and the oil companies should.

Members opposite were critical of Bill 47. We believe that it was right to pass Bill 47. Members opposite obviously felt it was wrong. We believe that the passage of Bill 47 has allowed us to collect very substantial sums of money which would not otherwise have been collected. Members opposite who oppose any taxes under the bill continually upbraid us for not proceeding to collect the money. It seems to be rather clear that Bill 47 has allowed us to retain very large amounts of money which would not otherwise have been able to be retained. We, for our part, believe that money should be retained. You, for your part, believe it should go back to the oil companies. I will stand on the stewardship of our government in retaining that money; you can advocate its return to the oil companies if you wish.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — You can advocate the retention of that money by the oil companies if you wish. We believe that money should be put in an account for the people of

Saskatchewan and every penny of it has been spent for the account of the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Now let's move on to some of the other points and obviously I can't cover all the points made by the hon. member. The member is quoting figures with respect to unemployment. He is, of course, careful to quote not the latest figures, but he takes the period of the year when the figures are worst. All right, that is a debating point. But let's make clear that the figures you were quoting were not the figures for the end of April but for the end of March. He quoted figures which indicated that the unemployment rate was higher than it has been and we all acknowledge that. I wish you would have quoted a number of other figures. I wish he would have mentioned that when in March, not of 1978 but of 1971, when the government of his stripe was in power, the number of people in the labour force in Saskatchewan was 312,000 and that in 1978 the figure is 390,000. I wish he would have pointed out that there is in those seven years approximately 80,000 new jobs. Some people will remember that figure of 80,000 new jobs.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I remember a promise once before of 80,000 new jobs in seven years. Indeed, I remember a figure of 80,000 new jobs in four years and there were not 80,000 created by that previous Liberal government, or 40,000 or 20,000 or 10,000, but in all their seven long, lean years there was about 7,000 or 8,000 jobs.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Our record stands in sharp contrast to that. More jobs created in our seven years of office than in any previous seven years in the history of this province.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I had meant, Mr. Chairman, that last year at the end of April there were 25,000 unemployed and this year at the end of April there were 27,000 unemployed. That is a modest increase but it is far from the catastrophic increase that the hon. member suggests, far from the catastrophic increase. In fact because of the very large number of people who are moving into this province from many places across Canada, it is going to be difficult for us to keep our unemployment rates low. In the last three years more Canadians have moved into Saskatchewan than into any other province except Alberta. In the last three years, I repeat that again, more Canadians have moved into Saskatchewan from other parts of Canada than into any other province of Canada except Alberta. I will try that once again. In the last three years, on a net basis, taking all those who moved out and subtracting them from those who moved in, more people have moved into this province than into any other province in Canada except Alberta. Now, we are proud of that record; we are proud of that record and it makes it possible for us to have these very spectacular increases in the labour force. We are proud of that. We are proud of the fact that the number of people who have jobs in this province has gone up at a rate which is much faster than achieved by any previous government in this province. We are proud of that.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: —We believe that that record is one which ought to be commended by all hon. members. We believe that if they looked at these figures fairly and not in a biased and political way, they would agree that this province has enjoyed a burgeoning growth in the last several years.

Mr. Chairman, I feel that all hon. members are going to make long speeches and I wanted an opportunity to make a few extended remarks myself.

Well, let me change the subject again to labor-management. We had an interesting comment from the member for Lakeview on their methods of dealing with labour- management disputes. And not only did we have an interesting comment but we have vivid memories on how they dealt with a labor-management dispute short days ago, short days ago. I will not go back as far as Bill 2. At the request of the hon. member for Lakeview, I will talk about 1978 and I will talk about an effort to settle a milk strike which was consistently obstructed by the members of the Liberal caucus. I will talk about people who were so irresponsible that they allowed the division bells to ring hour after hour while people were sitting in this very building trying to arrive at a settlement, when they knew, when they knew that that settlement was just about at the point of being arrived at, and notwithstanding that, they allowed those divisions bells to ring hour after hour in a vain hope of upsetting that settlement which they did not wish to see come about because it indicated the failure of their strategy. I say to them that they should be ashamed of their conduct. I say to them that every member in this House should help in working with the government to bring a speedy conclusion to that labour- management dispute I say to them that far from working with the government, they hoped to find the government in an embarrassing position. They hoped that there would be a breakdown in negotiations so that our government would be embarrassed and so they could score some cheap political points. I say, they should be ashamed of themselves.

I say the member for Lakeview should be ashamed of himself and the member for Regina South and the member for Regina Wascana. There can be no doubt what they did. We, who are here, saw it and I think no amount of disclaimer at this point will erase what we all saw and what we all realized was going on. It was not one of their finer hours.

I turn, now, to the question of The Education Act. I say that our government is proud of the amount of opportunity for public discussion we gave on The Education Act. I say it is in sharp contrast to the amount of public discussion which took place before the area bargaining Education Act was introduced into this House.

I understand why the hon. members would not wish to defend the record of the previous Liberal government. I understand why they would not even want to hear the words, area bargaining, in connection with labour, with school legislation . . . Oh, we have the member for Assiniboia-Gravelbourg (Mr. Nelson) saying that we should have area bargaining. Well, we are pleased to have speaking for the caucus of the Liberal Party the member for Assiniboia-Gravelbourg and that school trustee saying that area bargaining is the policy of their party.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I know it isn't the policy put out in his letter by the member for Wascana, but we understand that teamwork doesn't go so far as to support your caucus

if it is going to cost you a vote. I don't think anyone ever expected the member for Wascana to go to those extremes.

We, for our part, have provided a committee made up of members of the Saskatchewan Teachers' Federation and Saskatchewan School Trustees' Association who arrived at a framework for a bill. We then proceeded to have a white paper and on the basis of that white paper, we introduced a bill; we introduced it at the fall session. There was substantial public comment on the bill. We then introduced another bill with some changes, a few, a few significant changes, not many in number but significant changes. We had considerable public comment on that and then we had some House amendments and we have arrived at a compromise bill, which I think is generally acceptable to teachers, trustees, parents and students.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I say that that is responsible stewardship.

I say that it represents a departure from the kind of stewardship we had under the previous government when legislation was introduced. I may say that the education committee of the Legislature was not convened. There were no white papers. Indeed, a position was taken, a firm position and that bill was legislated.

One can admire, I suppose, that type of firmness on the part of a government, but I say to you in an issue like this where a government has no fixed position, but rather wishes to find an accommodation which is acceptable to teachers, trustees, parents and students, we took another course of action. We are proud of that course of action and we think that is responsible stewardship and we will stand by it.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Let me move on to one other item before I come back to one that I want to deal with again. The Pelly by-election.

The Pelly by-election was, in my judgment, an example of the different styles of the several political parties. We, for our part as a government, are prepared to have the matter examined as fully as one would like. I say this, I say that for the Liberals to spend three times as much as the law allowed to flout the law and then find a loophole and then wrap around them the garment of rectitude after they had deliberately defied the law, is a conduct which does not deserve come into this House.

Members opposite very, very clearly, very, very clearly ignored the law and, having ignored the law, found themselves a loophole then decided that everyone else should be prosecuted. I say to them . . .

MR. WIEBE: — Call the inquiry.

MR. BLAKENEY: — These people are saying, call the inquiry. If these people would lay aside the immunity they found; if they wouldn't object to us retroactively changing the piddling sections then we can all prosecute everybody and see how we all get along. I think at that point their call for justice would be moving backward at full speed.

Let me come back to the point which I wanted to dwell upon earlier and that is the issue of confederation. I want to spend five or ten minutes on this issue because I want to try

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to say where I think we are in Canada.

In my judgment the present government of Quebec is not in a position to negotiate any changes in the Canadian constitution. In my judgment they are unable to do this even where the changes would be clearly beneficial to the province. Accordingly, there are unlikely to be any formal negotiations in which the government of Quebec is a party, at least until after the referendum. It is not possible, in my judgment, for any government in Canada, which purports to speak for the non-Quebec forces in this country, to put forward in a formal way proposals representing significant changes in the Canadian constitution. I say this because if they are put forward they will be rejected by Mr. Levesque. They will have, to be rejected by Mr. Levesque and, accordingly, there are no proposals which can be the basis, can be the basis for negotiations of that kind.

I have said this on many occasions and I have said it in the context — I wish hon. members opposite in the Liberal caucus would listen to this— I said it in the context of people who were criticizing Mr. Trudeau for not 'showing leadership' and not putting forward proposals. I have said to the press and to others, that's not fair. There is no way Mr. Trudeau could have put forward formal proposals six, eight, ten months ago; they would have simply be gobbled up by Mr. Levesque. It was not in any sense productive for Mr. Trudeau to do that. Therefore, at that point, it was an unfair criticism of Mr. Trudeau. I said that to the press and many of them will remember me saying that. I think that that was the situation and still is the situation. Now, it may be Mr. Trudeau can put forward some limited proposals dealing only with changes in the federal structure but I do not expect Mr. Trudeau to put forward in the next little while proposals for changes in the division of power between the federal government and the provincial governments. I do not expect to see that because I think they will be rejected by Mr. Levesque and there will be, therefore; no basis on which to negotiate.

As I have said on a good number of occasions now, I believe the negotiations will proceed in this way. I believe that Mr. Ryan will evolve a proposal in general terms for a restructuring of the constitution. I believe he will put forward these proposals and he is putting them forward, not yet in a formalized way. He has put forward his five region proposal and he has withdrawn from that a bit. He is putting forward ideas that might be the basis for discussion. I believe that it will be incumbent upon the English speaking leaders of Canada and I will define that in a moment, to respond to Mr. Ryan's proposal in the same way that we have responded to Mr. Levesque's sovereignty association. Mr. Levesque put forward his sovereignty association proposal and I say to all hon. members that I was the first Premier to take a position contrary to that and I took it in Montreal. I said it would not work in Montreal last April, April. 1 977, I spelled out why it would not work and for those who want to see it all outlined you can read it in the Le Devoir in an April issue of 1977.

It was in May of 1977, the four western Premiers put forward the same point of view. It was subsequently or about the same time at least, I can't remember whether it was immediately before or after Brandon, a similar point of view was put forward by Mr. Davis of Ontario. I think that went a long way to define the issue and to make clear or to start to make clear that Mr. Levesque did not have the field to himself, being able to define sovereignty association and being able, therefore, to make his referendum mean whatever he wanted it to mean. In the same way that we have attempted to define the issues with Mr. Levesque, I think we must assist Mr. Ryan in defining the issues. In the same way that we have responded to Mr. Levesque's sovereignty association, it seems to me we are going to have to respond to proposals put forward by Mr. Ryan. Please understand that this does not call for specific proposals on the part of the

Saskatchewan government. Such proposals by the Saskatchewan government would be ill advised.

In order to make myself clear when I say 'English speaking leaders', as I said a moment ago. I mean all those other than the Premier of Quebec. English speaking leaders for these purposes includes Mr. Trudeau, all leaders in Canada other than the Prime Minister of Quebec. I want, therefore, to say that it is, in my judgment, unwise for anyone of those leaders to put forward firm proposals for dealing with the fundamental questions of division of powers. Maybe Mr. Trudeau could get away with it; maybe he can represent those as coming from Quebec. Certainly I could not; certainly Mr. Davis could not; certainly Mr. Reagan could not. If we put forward proposals the very fact that they are put forward other than in Quebec means that they are less attractive to the voters of Quebec. That is the nature of politics in Canada at this time.

Accordingly, it seems clear that what ought to be done is that ideas ought to be put forward out of the politics of Quebec and they ought to be responded to by people outside Quebec, in the same way that we did with sovereignty association; we should respond to Claude Ryan and his proposals.

I heard a facetious comment by the member for Wascana about . . . I invite the hon. member to read the proceedings of the Canadian Bar Association and he will find out what I said and certainly I made no proposal for using force. What I said was, and what I say now, is that he who believes that there is no prospect of us, here in this country, using force with respect to our national unity issue, is a person who is living in a dream world. There is clearly a prospect and we must act if we wish to avoid it.

I have said before and I say now, that people no less wise, nor no less moral than Canadians have failed to bring about partition without resort to force. I say that the graveyards of the Biafra and Nigeria and India and Pakistan and Bangladesh and Cyprus and Northern Ireland are mute witness to the fact that even people who might otherwise abhor force, and I invite you to think of the philosophy of the Indian subcontinent who have found themselves embroiled in force when they have attempted to dismantle a country.

The hon. member feels that my comments at the Canadian Bar Association were unwise; I believe that he is wrong. I believe that Canadians should understand that force is a possibility and that they should realize that in order to avoid this all of us are going to have to give our full attention to this issue.

The hon. member for Qu'Appelle (Mr. Lane) indicates that in his judgment force is not a possibility. I wish I could be as sanguine. I think that it is highly unlikely because I think Canadians are intelligent and well motivated but I cannot agree that it is not a possibility. In order that it be avoided it will be necessary for Canadians inside of Quebec to understand the strong feelings of Canadians outside of Quebec about keeping Canada united. I fear that this is not always understood.

I have talked to many people from Quebec who feel that whether or not Quebec stays within confederation is basically a matter for the people of Quebec to decide and that we who live outside of Quebec, should not take an active part in that decision since it is not our decision. I have tried to say to them that Canadians outside of Quebec feel very

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strongly about the integrity of their country and that they too have a great interest in whether or not any part of this country withdraws. That point is not always fully appreciated or understood. I think it is necessary for us to see that it is appreciated and understood.

I want to, having said that about people inside of Quebec, say something to people outside of Quebec in Saskatchewan, that is, that people in Saskatchewan are going to have to consider what they are prepared to give, if they are to keep this country together and if they are to avoid the use of force.

I have outlined in some detail why I think this is a relevant question. I have outlined for example, why I think Saskatchewan people should address themselves to this and ask themselves what they believe the people of Quebec want as part of a united Canada and whether or not that price is too high for us.

MR. CHAIRMAN: — Order. I would ask all members to come to order, please. Order!

MR. BLAKENEY: — I am of the view as I go about this province, that people in Saskatchewan have not yet understood that there may well be bargaining and that in the course of that bargaining, we are going to have to make up our mind what is important to us and what is not so important to us.

I have said and will say again — I have said most recently I guess at the Rotary Club, let us disabuse our mind of the myths that we can create Canada precisely as we like it and let us understand that there may well be things needed to be given. Let us for example, get rid of the idea that any form of 'special status' is undesirable. Let us understand that special status is something which has been with us since 1867 and is going to continue to be with us. Accordingly, we must not get hung up on the word. We must find out what the proposal is and see whether or not it is acceptable or not acceptable. A proposal can, in some cases, be labelled special status and be acceptable or special status and not acceptable.

Newfoundland has a whole series of arrangements which are special status and which we have found quite acceptable. It is, I suppose, known to all hon. members that in the much vexed constitutional question of margarine, Newfoundland has a special status. The government of Canada can legislate to abolish margarine in nine provinces of Canada but not in Newfoundland because the constitution prohibits it.

The legislature of Manitoba can pass laws with respect to separate schools which would be unconstitutional if passed in Saskatchewan. And we all know that. Or British Columbia can pass them and they didn't hang anybody out there and we cannot because either they or we have special status, I don't know who.

It will be known, or at least the Supreme Court is of the view that the province of British Columbia does not have the right to its mineral resources off the west coast. The people of Newfoundland believe that they do have the right to their mineral resources because they have a different deal, call it special status if you like. The people of Prince Edward Island have an arrangement whereby they will have four members in the House of Commons. If we had representation of that kind we would have, oh, perhaps 50 members in the House of Commons - make it 40 - in any case it would be very. Very different from what it is now. Yet we willingly concede that.

The question then is not whether or not it bears a label but what is the deal. I invite

people in Saskatchewan to keep their eye on the main chance and ask themselves, what is the deal, what does it cost us? What does it cost us in our conception of Canada; what does it cost us in the economic well-being and prosperity of the prairies? And if we will ask ourselves those questions, not having preconceived views on special status or the position of the French language or anything else which may become a debatable point, then I believe we have a prospect, a prospect of arriving at a settlement whereby all parts of Canada could have a place in confederation better than they now believe they have. It is not only Quebec which wants some changes. Saskatchewan wants some changes and we intend to get some changes as the negotiations go on.

Now these points of view, Mr. Chairman, I have put on many occasions. I believe they represent the general feeling of the people of Saskatchewan. If there are points there which hon. members feel ought not to be put, then I invite hon. members to get into this debate because I believe that it is a worthwhile debate, but I think that this is not a case where we should have great flows of rhetoric about who is doing what, but rather arguments as to where we think the interest of Saskatchewan lies.

I believe I have put forward a point of view that does reflect the views of the people of Saskatchewan and where their interests lie. I have a large number of speeches which lay out my point of view. They are, I think, a much more complete package than any other Premier in Canada has. I note that you don't quote from the speeches but are pretty careful to quote from snatches of news reports when you criticize my position. I think that is a safer course since I am not responsible for what is reported in the news and I am responsible for what is put in my speeches.

Mr. Chairman, I note that it is 10:00 o'clock and I move the committee rise and report progress and ask for leave to sit again.

WELCOME TO STUDENTS

MR. R.A. LARTER (Estevan): — Mr. Chairman. I would like to introduce through you and to the members of the Legislature, a part of 12 students in two faculties from Seneca College in Toronto. They are dental assistants and they are here to spend three weeks with the Saskatchewan Dental Plan.

I would like to say to the ladies in the east gallery that you hit one of the quiet nights. Things are really cool tonight and there wasn't too much action. I would like to mention that if you were here during the daytime you would hear the name Ontario come up, on the government side, quite often and it is not always complimentary. The members would join with me in welcoming you here tonight.

HON. MEMBERS: Hear, hear!

The Committee reported progress.

The Assembly adjourned at 10:04 o'clock p.m.