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AFTERNOON SESSION - COMMITTEE OF FINANCE

EXECUTIVE COUNCIL - VOTE 10

ITEM 1 cont'd

MR. E.C. MALONE (Leader of the Liberal Opposition): — I would like to make a couple of more observations before getting off this particular topic. I understand the member for Rosthern has some comments he would like to make - Rosetown, I'm sorry, a slip of the tongue, I'm sorry.

Two things. The Premier makes much of the fact that in his view there is nothing wrong with this type of advertising. It's perfectly in order for the government to spend \$500,000 of the taxpayers' money in a 10 month period on one advertising program alone. I think by his very actions and the very actions of his ministers, he's put a lie to those statements. If there is nothing wrong with this type of advertising, why has it taken us so long to dig this information out of the government? If you think that this advertising program is so appropriate and is acting in such a good manner, I would have thought that you would be making public announcements and saying, we like those Crown corporations so much we're going to spend \$500,000 of the taxpayers' money to go out and talk about them and we'll get this overwhelming approval from the taxpayers that we are taking \$500,000, we're looting the Treasury for that amount of money to put that program on. I say, Mr. Premier, that your own actions put a lie to what you say as to how justifiable this program is. Let me say one other thing, too. Let me point out to you that we have been digging for this information for many, many months. You came in here the other day and said, well, it's hard to get our hands on and you shouldn't be asking me because I'm the Premier of the government and I shouldn't have to have all these figures at my finger tips. You say it's not the individual minister's responsibility because he doesn't know what's going on. After about a two and one-half hour harangue on one night and going at it again another day, we finally pried out of you the nice round figure of \$500,000. I suggest that you knew this figure all along. I suggest that your members knew it all along. There is nothing very hard about remembering that round figure of \$500,000. I suggest to you that there is no difficulty at all in giving us this information. I suggest that you had an old chat in Cabinet one day about it. We knew you were getting the heat on the potash takeover and your political adviser, the Member for Biggar, probably said, let's have an advertising campaign. Let's spend \$500,000 pushing this campaign down the throats of the people of Saskatchewan for a 10 month period. There's nothing magic about this particular figure. It wasn't hard to ascertain. It was very easy. I suggest to you that it's not a figure that is going to slip your mind after it's mentioned. You knew very well. Your member's knew very well. There was no problem whatsoever in complying with the return from the member for Qu'Appelle. It was there. You were simply afraid to give the information to us. You were simply afraid of the reaction that's going to happen in the public when the press, hopefully, some of them, some of the more daring ones, will report this as a news story. I believe it's a news story. Your own actions belie the fact that this is not justified advertising, it's political advertising. And the action of your government in not producing this information with one question being asked, is inexcusable.

I have nothing further to say on the matter here. I think you will be hearing a lot our

members talking about it a great deal in the months ahead. If you have anything further to say on it, I ask you to do so. I have nothing further to say, Mr. Chairman, and ask you to recognize the member for Rosetown.

HON. A.E. BLAKENEY (Premier): — I think I have said what I want to say about it. Just one minor matter. I am naturally caution about giving figures that I don't have the paper to support when asked about them. It seemed to me that I gave a figure on the Energy and Resource Development Fund of \$620 million or something like that, which contained some estimates and which proved to be \$8 million wrong or something. On a calculation that is somewhere between 1 per cent and 2 percent wrong on an estimate. I've seen the Minister of Finance be pursued on how can you reconcile this figure with this figure by the Premier which clearly, as you can see, is 2 per cent different. That makes me gun shy about giving estimates when I don't have the figures. I didn't have them. I repeat, in my judgment, I'm under no obligation in any sense to have those sorts of figures on hand in my Estimates. I don't want to go over that argument again but I think you will appreciate that one is apprehensive about giving global estimates if they are going to be then pursued with the minister and they prove to be 2 per cent wrong. It's the subject of a significant number of questions.

MR. R.H. BAILEY (Rosetown): — Mr. Chairman, I just want to say a few words on this particular topic that the member for Lakeview has raised. Mr. Premier, some time ago in this House during the potash debate, I raised the issue that the government has at its disposal through the Crown corporations the right, I suppose, to use the Crown corporations as a source of an advertising campaign. I couldn't help but think when driving past Chaplin this morning that during the potash debate there was a great deal of advertising about Saskatchewan minerals. I haven't heard that individual ad on the radio or seen it on television since. I suggest to you, of course, that I know that it's on the family of Crown corporations but during the potash debate your government particularly selected Saskatchewan minerals and advertised that on the radio as high as four times on one radio station. Now, what you were doing there, Mr. Premier, are you using or abusing the rights of the Crown corporations. I think that's the fundamental question out in the people's minds. I want to suggest to you, Mr. Premier, at the present time, that your TV campaign on your family of Crown corporations is backfiring and I think that you people, yourselves, are getting the message.

As a matter of fact there are certain branches in the government which everybody expects to see in the way of advertising. The Department of Highways has to advertise and it's good advertising, I'm not condemning it. The Department of Tourism and Renewable Resources is good advertising. You know not too long ago I asked the Minister in charge of SPC as to what approximately would be the cost of advertising the Saskatchewan Warm Up Program. Now here is the distinct difference, Mr. Premier. Here is a program which the government has brought in and they have something to offer the people.

AN HON. MEMBER: — It's darn little

MR. BAILEY: — Well, you may say it's very little but at least they are offering the people something and so in the neighbourhood of \$100,000 you are going to get the message out, mainly through the news papers to the people about the insulation program for Saskatchewan. But I suggest to you, Mr. Premier, and to the members of your government, that your advertising which is taking place now to the tune of \$500,000 is backfiring and it's backfiring in a different way. The results are much different than what the government expected.

I have, Mr. Premier, here a letter in my hand which was written to the member for Biggar, the Provincial Secretary, in a response to a constituent of mine who wrote in. Obviously, I didn't see the original letter but he must have been complaining about the high cost of this advertising. Now we find out in his answer to the letter, written by the hon. member - in this letter he is talking about the current series approaching the \$200,000 figure. Now that may be well true but the letter in itself is misleading, very misleading. When did that current series start and when did it end? We find out today that the cost is \$500,000. So, he answers and says this:

This commercial costs about the same as a good quality commercial produced by any of our competitors.

Well, Sask Power doesn't have any competitors. Sask Tel doesn't have any competitors. You know, as a matter of fact, the individual advertisement from Sask Power is that people should be energy conscious and use less of the product, not more. So there is no purpose really served. No, I think it is very clear to the members of this House, I'm sure that it is very clear to every member in the caucus in the government opposite, as it is clear to the people of this province that you are using or I should say abusing the Crown corporations for political gain and I think, Mr. Premier, to be honest and if you are honest with yourself and honest with your government opposite, you will have to admit that from the correspondence I have had and the correspondence which your ministers have had, people are taking exceptions to this.

Now, let us go back to the SPC program. The hon. member tells me that it will cost in the neighbourhood of \$100,000 before it is over for the campaign to go out and Warm Up Saskatchewan. That is only two months advertising by the family of Crown corporations and really, what are you selling there? I know the letter which the hon. member for Biggar wrote is a very good letter because it says exactly the same thing, exactly the same thing we have heard over and over and over again. The purpose of advertising, that's the question. The people of Saskatchewan, the majority of people of Saskatchewan are looking upon the advertising of the family of Crown corporations as being political advertising. Even people, Mr. Premier, in your own party, a good number of them has come to me and stated that very fact. I suggest that \$500,000 could be much better spent than for the family of Crown corporations in advertising. I would hope that we see, when you talk about the TV doldrums coming to an end in a few months, I hope the doldrums and extensive government advertising of this nature come to end, not only for this summer but for the rest of this session.

MR. MERCHANT: — Mr. Chairman. Do you want to pursue the same stuff? Changing subjects, Mr. Chairman, I wonder if I could ask the Premier some questions about bills that were proposed and were stood off the order paper by the government, deliberately I suggest, stood off the order paper by the government. They were bills designed in some cases to help handicapped people, designed in other cases to help the old. I ask the Premier first, whether you would be prepared in this session or the next, (well in the next) to bring forth legislation dealing with the question of compulsory 65 retirement?

MR. BLAKENEY: — Mr. Speaker, I will not give the member an undertaking along that line. I think all I can do is give him the traditional phrase that government policy will be announced in due course. If we were to bring forward legislation along that line, it would represent a change in the policy of the present government and every government that has preceded us. I think there are many pros and cons with respect to compulsory retirement ages. We have to ask ourselves why they were put in legislation;

why they were ever in in the first place; whether those considerations were valid then, (which I suspect they were because everyone agreed with them) and whether they still have validity and are those valid considerations to be balanced over against other valid considerations which say that people ought not to be governed by arbitrary rules as to when they retire. It is like most other decisions in life, a trade-off and I don't think that we have explored this as a government, I think nor has any other government in Canada, that I am aware of. I am unable to give the hon. member the assurance which he asks.

MR. MERCHANT: — Well. Mr. Chairman, the age 65 was picked by Bismarck at a time that was appropriate to force compulsory retirement and it's been left to us by succeeding generations; that's where the compulsory retirement age began, with the first old age pension scheme of sorts, which was proposed about 1870. Now, I ask the Premier whether from his response, I may infer that you are implying that you don't intend to make any changes, that there is no change proposed; you are satisfied with what you described as current policy and that policy will be maintained?

MR. BLAKENEY: — Mr. Chairman, I don't think any assumptions can be made along that line. I rather doubt whether the people who drew, let us say. The Department of Telephones Superannuation Act which I think was the first one around, in 1927 or whenever it was, of the public service about the same date, were closely related to Bismarck's views. I think there must have been some other things related to our own province. May I advise the hon. member that there used to be different retirement ages in legislation. I remember when Telephones had a retirement age of 60 for women and 65 for men. I don't think that comes out of Bismarck. I think they came out of beliefs at that time that that made sense. I am not saying that they are valid today nor am I saying that they are not valid today. On this point, I am unable to give the hon. Member assurance, (a) that we will bring in legislation that will change government policy or (b) that we will maintain government policy in its present form without possibility of change. The possibility of change obviously exists. It is an area which many people in Canada are looking at. I am unable to give him assurance that there will be change or that there will not be change.

MR. MERCHANT: — Mr. Chairman, perhaps I can broaden the area of discussion. I have honed in on a particular bill but stood off the order paper in this session was a bill regarding compulsory retirement; parts of bills that would have stopped discrimination against people between the ages of 45 and 65 in hiring; stood off the order paper, not dealt with and obstructed by the hon. Attorney General. This legislation would have assisted older people when they faced government related expenses of power and Sask Tel and SGIO, all the government parts of inflation that they face. Stood off the order paper was legislation that would have made it discriminatory to deal with people differently in terms of their sex, if they were single or not. That is an important area of discrimination, an important area of discrimination. I see you arch an eyebrow; I will explain it to you. Married women, for instance, can't get independent credit. Deserted wives usually can't get independent credit. So because they are married and they have been married to a dead beat, they can't get independent credit until some years perhaps, until they have obtained a divorce and even then, they have difficulty. That's really a discrimination against them because they are married as opposed to being single. There is a discrimination against people in relation to the facilities that they can rent; so Gladmar Park, that isn't far away, discriminates against women, depending upon their marital status.

There was legislation that was stood off the order paper that would have dealt with the

question of handicapped discrimination, discrimination against people who are handicapped: about 10 per cent of the population is handicapped in one way or another.

You know, it all comes down to this, as I have watched this government in the past two or three years, a government that espouses being a left wing government, a government that espouses looking after the individual's rights, really hasn't done very much in the last three or four or five years, which could be described in any way as being attuned to those humanitarian concerns. Oh, you are good at taking over potash mines and doing things like that but I tend to wonder what is left in you, what is left of the old doctrinary NDP? So I say to the Premier, have you fallen into the NDP trap nationally where you see an Ed Broadbent now more taken by the Trade Union Movement, while a Tommy Douglas or a Lewis was more in the CCF mold? Are you abandoning the principles that I would have thought this kind of legislation, legislation to help the aged, introduced in 13 American states, this kind of legislation was what the old CCF was all about? A concern about the individual to some extent and I see in this session and in the last session a determined attempt not to take stands, not even to enunciate a government position on things that deal with the individual to try to protect the individual from discrimination in one form or another. I say to the Premier, what, in the last two or three years, last five years, has this government done at all to deal with those kinds of areas?

The Minister of Labour would say, oh we undid all the bad of the old Liberal government of 1964 to 1971. When there is criticism, say of the Workers' Compensation Board, he always talks about the past. He doesn't talk about dealing with the current problems of the Workers' Compensation Board. Rights of individuals, rights of the downtrodden and he would say, well I don't want to talk about what we have done in the last seven years, I want to talk about what he would characterize as the lousy seven years that went before.

The Liberal government had its priorities. It ran the province better than your government runs the province. It did a better job in certain business priorities. It was an expansionist government. Those were their interests and they did well within their interests.

You were elected saying that you were a left wing government. And I think in the first few years you may have been in that CCF left wing mold. I say to you now, what's left of the 'left'? What's left of the old left of the CCF? What is your sort of purpose if the NDP has swung so dramatically away from being a party that seems, in practice in the legislation that you deal with, caring of government any more than it cares about the individual?

MR. BLAKENEY: — We are now being accused of being, as I caught it, Conservative and Communist.

Let me just try to deal with what I think is the point of the hon. member. I think he is trying to say, yes, when you were first elected you did a great number of things in the area of the broad, civil rights, human rights field and I appreciate that comment and we did. The Human Rights Commission and all the extensive human rights legislation, the Ombudsman and the work of the Ombudsman, and this is being steadily expanded and a look at the Ombudsman's Report will indicate that to be true, the Workers' Compensation Board which has been pretty well overhauled and with the introduction of workers' advocates and things of that nature and a rather more generous scale of

payments which I noted the employer's association were saying last week were the most generous in Canada, as I recall their brief to the Review Commission. We are under a good deal of pressure from (at least from the business interests of this province) not to expand that area of activity at all. The whole area of occupational health and safety, which is perhaps not quite what you had in mind, but it is certainly an area of civil and human rights which has been pioneered by this province and I think is now generally acknowledged to be the case.

With respect to legal aid (and clearly we haven't gone as far as some people would like) but the availability of legal aid is far greater than was true earlier and as a result some erosions of human rights have been able to be stemmed and people have been given an opportunity to have counsel.

With respect to native rights, I invite anyone to look at what is happening in northern Saskatchewan and elsewhere and seeing government assistance for native people, to Indian people and Metis people, to attack their own problems and solve their own problems. I think we all know that we are not going to solve problems of Indian people or of Metis people. They are going to solve their own problems or they are not going to be solved. We, however, can provide some assistance and we have done that in a massive way. We are not busy solving all of them and I am not asserting that. I think that record is pretty good. I think the basic case of the hon. member for Wascana was that we did more in the early years than we have done in the last couple or three and I think that's a valid point, not one that we apologize for because we launched a good number of initiatives and I think we have to give them an opportunity to make their mark. We don't need to set up a Human Rights Commission and an Ombudsman and a legal aid system; we don't need to set up more and more organizations year after year. What we need to do is set up some which we did in the first years of our term of office and to have strengthened them and see them operate I think in a way which has been a substantial contribution to human liberties in this province. I am not by any means suggesting that the frontier has been reached and nothing more needs to be done. Clearly, much more needs to be done. We all realize that, but we need to do it in accordance with the general acceptability of the public, of the need for action and with our ability to administer them in a proper way.

The member, I think unjustly, but obviously he thinks justly, pointed out that we don't run the province very well. He is critical of our administration. I don't happen to agree with him. If I did, then the logical and reasonable thing for me to do would be for us to give the administrative agencies which we have set up, the many new ones, an opportunity to shake down and improve their administration before we launched into yet new areas, with yet new laws, providing yet new rights. As I say, I am not agreeing that the administration is anything but acceptable. I think broadly speaking all of these agencies have done a good job. But I think that there is no strong need for opening up yet new frontiers. I note (and I don't mean to be overly critical) but I note that the hon. member, when seeking analogies, does not seek them in Canada. He has so many states in the union that do this, but so far as I am aware, no province in Canada. You can find some fringe areas where another province, be it Manitoba or Ontario or the federal government, has one item in its Human Rights legislation that we don't have, be it sexual orientation or the like. On the whole they are similar, on the whole ours are as vigorously enforced as any and on the whole we stand up very well in comparison with any government, be it Liberal or Conservative or previous New Democratic or Social Credit in Canada. This is not to suggest that we should lean back on our oars . . . not true, but I think we are not . . . we are justly proud, not vain, but justly proud of what we have done and we look forward to yet further triumphs in the years ahead.

SOME HON. MEMBERS: — Hear, hear!

MR. J.G. LANE (Qu'Appelle): — Mr. Chairman, Mr. Minister, I would like to revert quickly, before I have a series of questions, and that is back to the nemesis of the family of Crown corporations. I got return No. 7, it has been a matter of some discussion, which indicated that TV expenditures were \$237,000; production, \$278,000. This was put on the order paper last November, the expenditure at that time roughly over \$500,000. The member for Rosetown-Elrose showed you a letter from the Government Finance Office under the signature of Elwood Cowley, Chairman of the Board, which says that they have only spent approximately approaching the \$200,000 figure and that is April 19, 1978. Obviously, it is a deliberate falsehood. We have all seen him giving you information back and forth in the discussion. The Leader of the Liberal Party has indicated if it is such a good deal, why aren't you telling the people? Obviously you have proved the point of it being political. But how do you as first minister condone a deliberate effort by the Minister in charge of the Government Finance Office to deliberately mislead, downplay and try to deviously hide the expenditures on the family of Crown corporations? Surely it is an immoral approach by the hon. member. I am wondering what action you intend to take to get that hon. member to correct the deliberate falsehood he has put out?

MR. BLAKENEY: — Mr. Chairman, I think the hon. member is perhaps misreading the figures. I do not have the return before me but I will have an opportunity to get it. I think the information I gave earlier indicated that costs were \$237,000 until the billings were received in March. Obviously when this letter was written, the March billings were not taken into account. I am not arguing that they should or should not have been. It is just that I too write many, many letters and I write them on the basis of information which is on my desk. It may not be the latest information. Certainly the figure of \$237,000 would have been more happily phrased than approaching \$200,000, but obviously, once again I suppose he was operating on the basis of estimates. Once again the problem arises of providing information on the basis of one's memory or on estimates. Here is a real good example again, the minister used \$200,000 as an estimate. The figure is \$237,000 and the allegation is deliberate misrepresentation and all the rest of it. These are the problems. I don't think the minister is other than willing to defend his letter. We are not in anyway attempting to do other than defend, indeed assert what is being spent and what value we think we are getting.

MR. LANE (Qu'Ap): — Well, you are obviously as embarrassed as he is because the return was the amount budgeted and spent to November 15, 1977. The letter was April 19, 1978, approximately five months later. Now surely, you are not going to stand up and tell this House in those five months there were no family of Crown corporations ads because you would be laughed out. The fact is you saturated over that period of time and the expenditure would be considerably higher. In other words, there was no excuse for the minister to be so deliberately and deceptively low. If he had said approximately double the figure, perhaps he would have been more honest. But the discrepancy is too great for you to say my figures which were based on your return, the effective date being November 15, and the date of the letter being April 19 — five months later. In fact, I think you have to admit and you will admit that he deliberately deceived, the reason he had to deliberately deceive, as you know full well that that is blatant political propaganda, something that doesn't do credit to yourself as first minister.

MR. CHAIRMAN: — Order! I want to call the member to order. I think he used the terms, "deliberately deceived" in referring to information provided by the Minister in charge of

the Potash Corporation of Saskatchewan. I am going to ask him to retract that. The member indicated before that the Minister in charge of the Potash Corporation of Saskatchewan told a deliberate falsehood. I can't accept that.

MR. LANE (Qu'Ap): — Let me say that he was so wrong, so deliberately inconsistent, so deliberately in error that it verges on (I'm careful) a deliberate falsehood.

MR. BLAKENEY: — The problem with this statement is . . . the letter pretty clearly states what has been spent. The figure was, what is approaching \$200,000, that which has been spent not that which had been budgeted for, but that which had been spent was approaching \$200,000. In fact, he had made an error and it was \$237,000 and that's the figure which . . . I can see that. I can see that. But the question is, what was spent and paid out? And as he says, \$200,000 and is paid for out of operating expenses — a series of questions, approaching \$200,000. That is the figure. No one is suggesting that when asked how much money has been spent, you don't at that point come in and say, and we have budgeted for a whole lot more. What you are saying is because he had budgeted for future expenditures, he shouldn't have said what he had spent up to that date. But what has budgeted got to do with what has been spent? He says, what has been spent. The member for Qu'Appelle is arguing that presumably in stating what had been spent he should have included what had been budgeted for. Now that is an interesting view of what has been spent. But it shows an unusual use of the language. Now it may well be that he should have added, and we have budgeted for some more. But I think the citizen might well have been expected to know that anyway. I think what the member did was to state what had been spent and it seems to me not reasonable for him to complain that he did not include what had been budgeted for.

MR. BLAKENEY: — I'm unable to advise the hon. member really, where it first came from. I simply do not know that. I think it came from the Government Finance Office. I do not know whether it came from — a suggestion from a corporation or from several corporations or from the staff of the Government Finance Office or where. One really doesn't know where ideas start.

MR. MERCHANT: — . . . political friend, Don Ching, in charge of GFO at the time. Was there any option for the corporations to refuse to be a part of what most people viewed as a sort of a political package of advertisements?

MR. BLAKENEY: — Frankly. I don't know how the money was distributed among the corporations and what options were open to them. I can see the proportion contributed by each corporation but I don't know how those were arrived at and whether they were options or non options. I see . . . (inaudible interjection) Presumably there were.

MR. MERCHANT: — Your highly A-political advertising agency tells me that, based on the number of times that they were mentioned at the end of the commercial, the division was made. So that if you mention Sask Tel at the end of a commercial and the Saskatchewan Fur Marketing Board and Saskatchewan Potash of a commercial, it was a tagging. Then, each of those three paid for one third of the proportionate cost of preparing and running the commercial if they got the tag.

Now my question, and that as I say, is what your advertising agency tells me, is did any of these corporations have an option to stay out?

MR. BLAKENEY: — I simply can't answer that. I have no — I simply don't know how this

was arranged and whether they had an option or whether they didn't have an option, I simply don't know that.

MR. MERCHANT: — Obviously a \$500,000 figure was a figure in the general sense. In other words, it wasn't a build up figure. You didn't say, well, we will run a few ads and we will run the ads to see how successful it is and then we will find out the general level of expenditure designed to run a successful campaign. You did it from the top down. You said, well let's throw a half of a million into the pot and see if we can bail ourselves out politically a little bit with that kind of a start.

Was the \$500,000 figure discussed in Cabinet?

MR. BLAKENEY: — Mr. Speaker, I regret to advise the hon. member that I am not at liberty to tell him what was discussed in Cabinet. We will really have some difficulties when we get into this area. I would invite the hon. Member to read the oaths that we all take in saying that we are not supposed to discuss what goes on in Cabinet.

Even when I try to state something so that people will not draw the conclusions which are erroneous, I find myself in difficulty as I have earlier and I think I won't start down this road again with what is discussed in Cabinet.

MR. THATCHER: — Mr. Chairman, Mr. Premier, I suppose at this time I should congratulate your family on the graduation that took place yesterday. I understand he is very bright and even though he may be a socialist at this stage many bright people are Conservatives by the time they are 30 and I would like you to pass on our assurance that we would always welcome him into the party if and when he becomes ready.

Mr. Premier, the Executive Council appears to one looking from afar, that perhaps it replaces a department that some other provincial governments call a Department of Inter-governmental Affairs, which I suppose if you boil it down, means that that is the department that does the bulk of the dealings with the federal government. Before I go any further, is that a fair assumption or would you agree with that?

MR. BLAKENEY: — Yes, in part. In the Planning and Research area we have a little unit of inter-governmental affairs which does what a lot of Departments of Inter-governmental Affairs do. We also have a federal-provincial fiscal relations unit in the Treasury Department so we have it sort of split two ways. The one is almost purely federal- provincial agreements and the minutia of those agreements, and the other is this growing area of federal-provincial relations which all governments find themselves involved in. We have tried to keep it small because it is just one other area that can grow and grow. There are no limits to it. Basically we do have a unit there — we have one director and three so-called professionals. There are really four or five — there are really five people who work in this general area of inter governmental affairs.

MR. THATCHER: — Mr. Premier, could you elaborate to the Assembly — well I was going to ask you if you could elaborate on what kind of people they were. You indicated that they were professionals. Would you just elaborate on their academic background and their — basically, their qualifications for this sort of . . .

MR. BLAKENEY: — The Director is a man by the name of Wiese and he has an Honours B.A. from the University of Western Ontario and a Master of Economics from the University of Wales. He has some work towards his PhD but has not completed it. He is

the director. A man by the name of David Hawks is a Research Officer IV and he has an Honours B.A. from the University of Saskatchewan and an M.A. from Queen's. He has done the first year requirements towards his Ph.D. at Carleton. He worked for a couple of years as Research Officer with the Ministry of State for Urban Affairs at Ottawa and worked for a year with the Saskatchewan Credit Union Research Council.

The third person is a man by the name of Howard A. Leason and he has a B.A. in History from the University of Nebraska, an M.A. from the University of Alberta and has a fair amount of his Ph.D. in Political Science from Alberta. He worked for a couple of years as an Assistant Professor at the University of Alberta, Department of Political Science, and has worked at other work.

Joanne Sutherland has a B.A. in Economics from Winnipeg and some work towards an L.L.B. from the University of Manitoba. She worked for the government of Quebec as an exchange student in 1968, the government of Manitoba from 1969-74 and has worked with the government of Saskatchewan since 1974.

A junior Research Officer, a man by the name of Dean Norton, has a B.A. from Western Ontario and Masters Degree from Queen's. He has recently started with our government. He worked in our general office as an executive assistant to Mr. Bolstad, for a few months and then went with Intergovernmental Affairs, that is the group that are working.

MR. THATCHER: — Mr. Premier, I notice, just listening to some of the academic qualifications, if I may comment. It seems you are running, in this area, trifle heavy on BAs, which may or may not be significant.

Mr. Premier, would you agree that the area of intergovernmental affairs, particularly in the light of our present situation in Canada, obviously our relationships, federal/provincial relationships, are becoming far more intricate and far more complex. Some provinces have seen to set up separate departments and I have no idea of whether these are particularly any more effective than what you have or not. Although I do note that three or four years ago, Premier Lougheed saw fit to have, I suppose, his top minister, Mr. Getty, in that portfolio which, I suppose, in the light of the fact that Alberta was engaged in energy negotiations with the federal government at that time, may account for that.

But, Mr. Premier, nonetheless, in the fact that relations with the federal government do become more complex and, I suppose, a little more sensitive day by day, has the Premier given any consideration to the expansion of this staff of people in intergovernmental affairs? Before you get up and hammer me, for suggesting more bureaucracy and more spending, etc., I would suggest that if this is the direction you are going, can you transfer people from other departments into this department if it should be necessary to expand it, rather than going out and simply adding to what is already certainly more than sufficient numbers in the civil service?

MR. BLAKENEY: — Well, I agree with the hon. member that we need to beef it up a little bit. We clearly need to get one person who is much more familiar with the politics of Quebec than we have. I don't know what is going to happen in Canada in the next number of years, but in the next short number of years, two or three years, but if we found ourselves in crucial negotiations in which some knowledge of the governmental structure in Quebec, some detailed knowledge of just not what it looks like on paper, but how it works, I suspect, that may be necessary. We are thinking along that line.

We would like to try to keep our shop small simply because, like so many other things, we can be researching and researching and research is a very difficult thing to keep from snowballing because all of it is valuable. It is just how much you can really afford.

I think the hon. member has correctly indicated our thinking. Probably a very modest expansion to gear up for the many conferences which are about to take place. We are either going to have to get some legal staff or alternatively get some more in the Attorney General's Department. We haven't made a decision there yet. If we are getting into a long round of negotiations on the Canadian constitution, which look like they are about to descend upon us. It looks like the Prime Minister is going to lay some proposals before on the table in the next four to six weeks, maybe. It looks like we are going to have a conference in September. It looks like, maybe, the ten Premiers will be spending a fair amount of time prior to that conference and that all adds up to the staff time of two or three people doing nothing else but preparing for that series of conferences and following all of the many papers and briefs that come out.

We are looking for some backup either as of now. We are thinking we will put them into the Attorney General's Department. But we are going to have to get some more people, not many. We will add as we need rather than staff and then see whether we need them, because there is something about the work expanding, etc. and that doctrine will be known to all of us. So, yes, we agree, small expansion. Yes, we will try to get them from existing agencies. It looks like we will need to get one person who is more familiar with the Quebec scene than any of those we now have. It looks like we have to get a little more capacity in the field of constitutional law. As of now, we assume that this will be cited in the Attorney General's Department. That decision may be changed. We may second somebody. But we would like to keep them with the Attorney General's Department so we don't need two or three legal agencies.

MR. LANE (Qu'Ap): — Mr. Chairman, Mr. Minister, there was some time ago, an article in the paper about your involvement in a tax shelter. Obviously, what you do is your business. But what bothers me is philosophically, I think, you had to justify because, I have for example, a quote from Lorne Nystrom to say that those types of tax shelters are proposals to assist the far more wealthy and the haves in the country, etc.

But when we got into rent control debate, it was the position of the opposition that we could have aggressively increased with tax benefits and short term tax credits, the amount of rental housing and rental accommodation in the province of Saskatchewan and there was a completely different approach between the government, who was insisting on rent controls to keep rents down and the opposition which was saying, let's tap the private sector; let's tap the individuals: let's get the money flow; let's give them the short term tax credits so we get them on-stream and have them.

Would you not admit that your activities have, in fact, fallen right into what the opposition was advocating, but which is completely contrary to what the government did with rent controls? And would you explain to me the inconsistency - the approach because I have difficulty with it?

MR. BLAKENEY: — I don't think there is very much inconsistency of approach. I certainly don't agree with a fair number of the tax breaks which are available to people of higher incomes and in that category I must include myself. I certainly don't agree, with let us say, the indexing of exemptions as it now exists and I have said so. But I take advantage of the indexing each year. Now, that may well be less than consistent and

one can apply what one's name to the conduct of someone like myself, who says that I don't think this should be public policy. But if these benefits are available to every one, I don't resist taking advantage of them. That is certainly my position and I don't necessarily believe that these things should be available, but when they are available and freely taken advantage of by everybody, I sometimes take advantage of them. Apply your own name to that conduct but I do it like everybody else.

MR. LANE (Qu'Ap): — My point is a little different than that. What I am saying to you is, that taking advantage of it and a project coming into existence because of it, it obviously works. It obviously works. My point is, excepting the fact that giving tax breaks to - and I am talking generally to higher income or the wealthy obviously, and I think you have to admit by your own actions, in fact works, in fact creates new housing, in fact creates new rental accommodation and really, what I am saying to you is, that having acted upon it, would you not now admit that we should be much more aggressively attempting to tap that source of income to try to alleviate rental accommodation or improve the small business sector of the province of Saskatchewan, tapping the private sector funds or savings if possible. Should we not be doing that much more aggressively, because I think you have to admit that that approach works?

MR. BLAKENEY: — Basically, I disagree with the hon. member. Any number of tax breaks which are allegedly available to assist . . . I think of a fair number that are available to business and I don't think many of them produce the results they were alleged to produce. I am not at all sure that the tax-haven ones, the multiple unit residential building provision, has produced all that much more rental accommodation. People, I don't think, build because there is a tax haven, they build because they think they can rent the accommodation and if you can rent the accommodation, then that is the key. Of course, none of this is subject to rent control. I know he is not suggesting that so there is no suggestion that this, in any way, is affected by any governmental policy with respect to rent control. I want that point made so that no one is confused on that point and I know he is not saying that. So, I don't think that there is necessarily any great benefit in the amount of residential accommodation provided. I just think that it is provided; it is financed in this way; benefits are available to the public generally. Perhaps one should eschew them but perhaps one shouldn't.

MR. LANE (Qu'Ap): — Well, changing the topic. In your debate on the potash nationalization you gave some very, very strong assurances that your government's actions would not in fact, prejudice any of the existing markets. If you recall at that particularly lengthy debate, you were reluctant to get into the debate for some month and one-half until such time as the public pressures became so great that a statement from the Premier was necessary.

One of the major topics of debate in the Assembly was whether or not your nationalization would, in fact, prejudice Saskatchewan markets. You said most emphatically, no, that nationalization would not prejudice the existing markets. You gave the assurance that — you know, you refused to give us studies. We asked you for studies. The potash industry was saying that they were going to develop elsewhere and you said, well, we will deal with that when it comes and we don't foresee a problem. And obviously, the problem has come. Everything you said at the time of nationalization when it dealt with the existing markets, turned out to be totally in error and I say wrong. I say either, because you were in such a rush to judgment to get nationalization that you didn't have the studies or if you did have studies, they showed that in fact, your nationalization and taxing policies would cause serious prejudice to the existing

Saskatchewan markets.

According to the Potash Corporation of Saskatchewan, or the Potash Corporation of America, they have announced a mine in New Brunswick as a result of the tax policies of this government. They got assurances of no nationalization by New Brunswick; they got royalty arrangements that obviously had to be favourable, (the cost of mining or recovering of the ore is much greater) but, the tragedy for Saskatchewan is that the existence of that mine is going to probably (and I say probably, I am going by the low royalty rates, I am assuming it is economically viable because of the low rates and I say that is an assumption without any other knowledge), but obviously the transportation costs from that mine to the New England and eastern seaboard states is going to be much, much cheaper, than shipping potash from Saskatchewan to the eastern seaboard states of the United States. In Public Accounts, we asked some very, very specific questions, Mr. Premier and on page 291, we asked for a state by state breakdown of Saskatchewan potash sales in the year under review. State by state. Some, I think, salient facts came to light. First of all, 73.9 per cent in the year under review of our potash sales, Saskatchewan potash sales, went to the United States.

On page 291 and 292, the deputy minister listed the tonnage to the various states and you will note that the tonnage that he listed and I am quoting him, 'constitutes about 70 per cent of the US sales.' You notice that Florida is missing for instance; Alabama, the Carolinas. What was their traditional source? Part of them are supplied by Saskatchewan. I just didn't get it broken down into absolutely every state; this represents the major states to which it is sold. Saskatchewan would also sell small amounts, smaller than 100,000 tons to the other states I mentioned: Florida, Alabama, the Carolinas. Roughly, 30 per cent would be to these states; the eastern seaboard states. Thirty per cent of 73 per cent is going to be roughly 22 per cent of Saskatchewan's traditional potash market, is now going to be seriously threatened if not lost, to the New Brunswick potash mines. Because they can service it, transport potash much more cheaply, much more quickly. I say to you that the evidence is so strong that in fact, you have made a major blunder with potash nationalization. You have seriously prejudiced Saskatchewan markets; you have deliberately caused a new mine to be built in another province that would never have gotten off the ground if it hadn't been for your actions. In fact, because of the actions of your government, we stand to lose when the New Brunswick mine comes on stream and into production and transportation is established, up to 22 per cent of our traditional potash markets. Would you not now admit that in fact, you either went into this without proper research or that you have made a terrible blunder for the people of Saskatchewan?

MR. BLAKENEY: — No. I will not admit that. I think the member makes a very large number of assumptions. First, that there will be a mine built in New Brunswick. That is an assumption.

MR. LANE (Qu'Ap): — Are you saying that there is doubt?

MR. BLAKENEY: — I think that there must always be doubts before a potash mine is sunk; it is a lot of money. It is a lot of money and that if the mine is sunk, it will be sunk for the figures quoted. That is always an assumption on any major construction project. There are any number of mines in Saskatchewan that wished they were built for the price that they thought they were going to be built. PCA (Potash Corporation of America) is one. PCA when they built their mine in Saskatchewan had one estimate and in fact, I suppose, they have spent twice that estimate. I know the reason for

Saskatchewan; I don't know the reason for New Brunswick and neither does anybody else — that's the point, neither does anybody else. Nobody, I think, knows what it costs to put down a potash shaft in New Brunswick. We are about to find out but we are not certain that anyone will find out because:

1. The mine may or may not be built:
2. It may or may not be built at that price;
3. It may or may not have that productive capacity:
4. It may or may not have those operating costs.

I think it is far from obvious that any mine in New Brunswick will be able to lay down potash in Georgia any cheaper than a mine in Saskatchewan. That is far from obvious. There are any number of places in the world that have locational advantages over Saskatchewan in laying down potash. There is potash, let's say in Israel, potash in Spain and both of them fairly close to seaboard. Obviously if transportation was the only consideration, able to lay it down in Savannah, Georgia a good deal cheaper than we can. The facts are that they can't because they can't mine the potash at the price we can and therefore, they can't compete.

MR. LANE (Qu'Ap): — Obviously it is a factor.

MR. BLAKENEY: — Well, yes, but I think one has to remember that, with respect to ocean transport, distance is not a key factor. So I simply am not agreeing with the essential assumption of the hon. member that all of the questions with respect to the production of potash in New Brunswick had been answered, that we know that they can lay down the potash on the eastern seaboard of the United States cheaper than Saskatchewan can and accordingly that our market is in jeopardy. I think there are just too many assumptions there and I am not prepared to accept that whole series of assumptions and accordingly I don't reach the same conclusion.

MR. LANE (Qu'Ap): — Well, except that you, I think by implication, have made a very strong admission and that is if that mine goes our position is seriously jeopardized.

MR. BLAKENEY: — No.

MR. LANE: — Certainly it is. You said you are not prepared to take into account costs. Let's assume production. Let's assume that it goes.

I don't think that your position that you can lay it down in transportation cheaper than New Brunswick to the New England States, when the announcement that came out about the existence of the mine, they thought that that would be one of the major advantages that they would have would be transportation costs. I think that what you have said that if that mine does go, that in fact we have lost 22 per cent and I say to you we will never recover that 22 per cent when we lose it.

MR. BLAKENEY: — May I make an observation or two.

First, I do not agree that if the mine does go any potash can be laid down any cheaper than we can lay it down because the fact that a mine goes doesn't in anyway indicate what its production costs will be.

Let me make one reasonably obvious point. If we take everything that PCA says about their mine, it is only going to produce 400,000 or 500,000 tons a year, which represents 7 or 8 per cent of Saskatchewan production. It is difficult to see how a gross amount of 7 or 8 per cent of potash can steal 22 per cent of our market.

Obviously then the hon. member says, of course, they can build a second mine and a third and, of course they can. If you make all those assumptions, that the second mine will be as cheap as the first and the third mine will be as cheap as the first, then you can build up your house of cards. There is potash in lots of places of the world. The next house of cards can be that the Soviet Union, who is looking for foreign exchange, can sell potash at any price they like and of course that's partly true. The house of cards last year, it seemed to me, was that down at North Dakota they were going to sink the shafts or alternatively were going to solution mine potash and that was going to take our market. I think that we are seeing that there is a fair amount of fear in the minds of some that anybody under any circumstances can produce potash cheaper than Saskatchewan. That simply isn't true and while obviously there may be potash developed in the Soviet Union or indeed Carlsbad for all I know or in Thailand, I think, to put it mildly, premature to suggest that our market is gone because someone makes an announcement.

MR. CHAIRMAN: — Order, the member for Kindersley would like leave to introduce some guests. Is leave granted by the committee?

INTRODUCTION OF GUESTS

FEDERAL REPRESENTATIVES AND UPCOMING CANDIDATES

MR. A.N. McMILLAN (Kindersley): — Mr. Chairman, I am sure all members of this House would like to join me, through you, in extending a warm welcome to some people in this Legislature now who have in the past provided this province with great public service and some of these gentlemen in the future will no doubt be providing the West with great public service in Ottawa. I would like to introduce to you a former member of this Legislature, a former Cabinet Minister and currently the MP for The Battlefords - Kindersley, Dr. Cliff McIsaac behind the rail; Ralph Goodale, the MP for Assiniboia in the gallery and many of those exceptionally talented Liberal candidates who will be running in the upcoming election — Leroy Barrie, Qu'Appelle-Moose Mountain; Allan Coulter, Kindersley-Lloyminster; Red Williams, Saskatoon West; Phil Kodic from Yorkton; Vern Brown from Moose Jaw and Doug Neiman from Humboldt—Lake Centre. It is nice to have you fellows visit the Legislature today and we will come to see you in Ottawa at the first opportunity.

HON. MEMBERS: — Hear, hear!

MR. LANE (Qu'Ap): — I would like to join with the hon. member in welcoming the Liberal candidates. We had, as we indicated, the Leader of the Conservatives, very significant occasion the other night on the first anniversary of the campaigns the member for Regina Wascana and the member for Regina South and we hope that your second year of campaigning has as much success as the first. So we join in welcoming you to the Assembly.

There is another serious matter. You refused, as well, to table (I think your answer indicates the great potential risk to the taxpayer of Saskatchewan) if all these variables came and they are assumptions, came into fruition that in fact the Saskatchewan taxpayer would be at great risk because of potash nationalization.

Now in the year under review in the Public Accounts we asked for a statement identifying the totally new potash markets for the year under review and sales to these markets. Now these were totally new. You gave us great assurances that you would be so aggressive and you would have this great new market that is just out there for Saskatchewan to take and for Saskatchewan to grasp. Let me tell you the new markets during the calendar years 1976 and 1977 as tabled: Denmark - 30,135 short tons; Kenya - 225 short tons; Nicaragua - 2,234 short tons and Romania - 25 short tons, approximately less than 33,000 short tons, K20 in those calendar years 1976 and 1977. In other words, a woefully inadequate effort by the government to try and get new markets, or a totally unsuccessful effort to get new markets because I think you will admit that those are a drop in the bucket.

Now I think that proves further, with these variables that the people of Saskatchewan, through the actions of your government, have assumed a terrible risk in nationalization of the potash industry and the future generations of Saskatchewan have assumed a terrible risk and I would like to ask the minister, when you are presented with, as I say, such woefully inadequate results from increasing markets, that is it not time that you started to table those studies that you said you had during potash nationalization so that we can finally have a full debate, and all the documents, and all the studies so that the people can find out, once and for all, why they should run you out of town for the next 30 years?

MR. BLAKENEY: — Let me talk, for a moment, about the terrible risk and understand what the payoff is for assuming risks. Because the operation of any business enterprise involves risk and there are risks to be assumed and rewards to be gained from assuming risk.

We know, when the hon. member for Qu'Appelle was a public servant of the government, what that government obtained from the potash taxation, approximately \$2.5 million, as I recall the figure. Now we have taken some risks. We have put in higher potash taxation and we have enforced that taxation. And we are, this year, not going to collect \$2.5 million but, perhaps, \$100 million and last year about \$100 million.

MR. LANE: — You can do it without ownership.

MR. BLAKENEY: — The hon. member says you can do it without ownership. I know which government didn't do it without ownership and that is the government he worked for - \$2.5 million is the figure they picked up without ownership.

We have been able to get, I imagine, \$300 million or \$400 million in potash taxation. We have invested \$300 million or \$400 million, perhaps \$500 million, in potash. So we have almost recovered what we put in. If we had assumed taxation like the previous government was taxing, then obviously we are just about level with the board now. We have the prospect of, I think, a bright future for potash. But, obviously, there are a few assumptions there which he would dispute. He would have said, obviously we could have raised some of that money by taxation, and we could have, but some of it we couldn't have raised by taxation. Some of it, I think, the industry made pretty clear they weren't going to pay. We are collecting and we are going to collect some of it from taxation and some of it from ownership. I suspect we have heard the last from the potash industry about not paying taxes. I suspect they will. We will come to an arrangement with them on an appropriate level of taxation; there may be adjustments on what we have now and I am not denying that. But I suspect we will get the

arrangement and thereafter there will be taxes paid and there will be no reneging on tax payments.

I am not nearly as pessimistic as the hon. member is about the future of the potash industry and neither, may I say, is anybody else in North America.

In Winnipeg, yesterday, I picked up the paper and lo and behold, everybody there is very optimistic about the potash industry, talking about vast increases in the market available for Saskatchewan potash. I think they are right. I think that the increases are vast. They are not going to come rapidly but they are going to come over the rate of 3 or 4 per cent a year, over a fair number of years.

Now the hon. member was very, very careful in the selection of what he called, quote, 'totally new' and in a sense, of course, those are 'totally new'. We hadn't sold ever to them before. That is right, but no one ever suggested that all the increased sales were going to come from 'totally new places'. I wonder how much we increased our sales to India last year over any previous year? It must have been three or four or five times what we had ever sold to India in any previous year.

What did we sell to the Peoples' Republic of China, Mainland China? Certainly, in 1977, we sold them 10 times as much we did in 1975. So that is not bad, even though we did sell them a few tons of potash in earlier years. That same is equally true of India. The fact that our sales to those areas are going up sharply indicates that there are markets there. If we sold a million tons to Romania next year, which I don't anticipate, he would say, oh, well that is nothing. That is not a totally new market, you sold them 25 tons last year.

Now, that sort of logic is not acceptable. There is a very large increase in the amount of Saskatchewan potash sold off the North American Continent in the calendar year 1977. I think everyone concedes that. There has been a good offshore year. No one can predict the future with clarity, but I think that the prospects of further offshore sales are bright. I see no reason why we should all be pessimistic about the fact that we only added three or four new countries, with small sales last year. We did sell very significant amounts to Japan. Korea, India and modest amounts to Mainland China and we sold some to Malaysia, Indonesia and the Philippines. These markets are going to grow and we expect that significant amounts of that potash is going to come from Saskatchewan and we, frankly, are optimistic about the prospects of Saskatchewan potash and we are sorry that members opposite are less than optimistic.

WELCOME TO STUDENTS

HON. N.E. BYERS (Kelvington-Wadena): — Mr. Chairman, I would like to introduce to you and to the members of the House, 40 Grade Four students from the Wadena Elementary High School. They are seated in the Speaker's Gallery. They are accompanied here, today, by Ann Michaluk and Kathy Kietschira and Bev Skivarchuk I want to congratulate the teachers and the students for taking a fine Saturday in the month of May to visit the Capital City and to visit this Legislature. I ask all members to join with me in welcoming this group of students from the Wadena Elementary School. I hope that they find the proceedings this afternoon enjoyable and that their understanding of the Legislative process will be improved as a result of their visit, and that they will undertake to visit this Assembly, again, at some future time. We wish them a happy day here and a safe trip home.

HON. MEMBERS: — Hear, hear!

Committee of Finance continues.

MR. LANE (Qu'Ap): — Some final comments on the matter of potash nationalization.

I think that the Premier was very, very careful to back away from the positions taken during the nationalization debate when we were given great assurances, great assurances that we would get new markets; that the future was great; that we would tap them all; we would be more aggressive by having a nationalized company, better able to take over the new markets, develop and create new ones. I can just about hear that speech over and over and over again that went on during the long potash debate. You have obviously backed away from that position and I think you backed away significantly.

What you have proved today, I suggest, is that in fact with the variables that you have listed and the potential risk, that we are at risk and that we are in substantive risk, but you also, I think, have stated, most clearly, and you are a man of precision in your choice of words - that we could, in fact, have got the very same amount of tax revenue, potash revenue from taxation without running the risk of ownership. I think that is going to be a significant issue that the people are going to vote against you on.

MR. BLAKENEY: — Just two very quick comments. First I simply don't agree with the hon. member that we said that we would be more aggressive than the private sector and we would develop markets that they could not develop. I think that is not true. We said we would be as aggressive in the offshore market and we have been as aggressive in the offshore market. We are still a member of Canpotex. The great majority of potash is sold through Canpotex and Canpotex is aggressive now as it was before. There has simply been no significant change in the marketing of Canadian potash off shore and our customers in places like mainland China or Japan are not very upset by the possibility of government intervention . . . (Interjection - inaudible) . . . Well I think it will surprise you to know perhaps, that the government of India is involved in the purchase of potash for Indian users. I do not say the government of Japan is; I think the government of Japan is fully conversant, shall I say, with the potash purchasing policies of the trading companies in Japan. In Korea, when we are selling potash there, which we sell, Canpotex deals primarily with the government of Korea, and it will perhaps surprise you to hear that they are not primarily upset at government being in this business.

So it is not likely to be an impediment in selling in those markets, that you have some government connection and that Canpotex is about 40 or 45 per cent government. That does not upset them.

With respect to the other comment, I think time will tell whether or not the potash purchase is a disaster. I think it will not be. but I think that we simply are not going to allow hon. members to get away with the proposition that you could collect all of this money through private means . . . (Interjection-inaudible) . . . That certainly was not what you were saying before. You were saying that the potash taxes were altogether too high and that they should not be collected from anybody.

We think that we will, through this policy of part public ownership, part private ownership and taxation and regulation, achieve very, very significant results for the people of Saskatchewan. I frankly would be very surprised if Saskatchewan potash production did not increase in the years ahead and that the gross returns from potash did not substantially increase in this province as well.

WELCOME TO GUESTS

HON. D.L. PARIS (Arm River): —Mr. Chairman, I would like to introduce to the Assembly a group of Chilean refugees who are now living in Canada, who are in the gallery opposite me. They are here in support of a hunger strike being led by the Catholic Church in Chile, in support of the principle that people in Chile should have at least the right to know the whereabouts of their families and friends who are imprisoned. There are some 2500 people in Chile who are imprisoned by the military dictatorship there, and the people in that country do not even have the right to know where those people are located and whether they are living or not. I want to introduce this group and express our concern about the removal of democratic rights in any part of the world.

HON. MEMBERS: — Hear, hear!

Committee of Finance continues.

MR. A.N. McMILLAN (Kindersley): — Mr. Chairman, I would like to make a few comments about, in a general sense, this government's approach and handling of the resource industries in Saskatchewan, renewable and non-renewable. I do not know what has to be said. You people live in constant embarrassment of your own record with respect to resource development in Saskatchewan and obviously very little that I say will make the embarrassment any worse. What could be worse than having to live with your own record day in and day out? But let me give you just a short reminder of your sad lack of success in this field, administratively, philosophically and everything else.

How have we done in the oil business since you got into the oil business in Saskatchewan, since your administration took over? A disaster! I live in an oil producing constituency. This year you may get the drilling starts in oil back up to about half of what the Liberal average was, from 1964 to 1971 .and the only way you could do that was by returning \$65 million in Saskatchewan people's cash to the oil industry last year in changes under old Bill No. 42, and you had your fine free enterprise minister, the member for Kelsey-Tisdale (Mr. Messer) do that for you. That got a little oil activity going. Then you rode along on the back of the federal government's recently announced incentives for the recovery of heavy oil by tertiary means and that no doubt has improved the picture slightly in Saskatchewan but it is still dismal and dismal as a result of your government's involvement in the oil industry. You have nothing to be proud of there.

Natural gas, what have you got to be proud of there? Still hundreds and hundreds of natural gas wells in Saskatchewan tapped, 'tapped'. Production costs on those wells, lifting costs of natural gas are between 25 and 35 cents and you are buying it from Alberta (70 per cent of your gas) for \$1.80. I saw in the paper the other day that the price will soon go up, possibly to \$1.96 or \$2.00 a thousand cubic feet. What do you do then? You turn around and fleece the Saskatchewan residential user for natural gas. Is there anything to be proud of there? No, not a bit.

Uranium may be your political saving grace, no thanks to you guys. You established the Bayda inquiry to try to cool down public opinion about the possible harmful effects of uranium development, and every step you have taken in the past few months has indicated that you have no intention of even paying any attention to Bayda.

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I hope, for the sake of the people of Saskatchewan, that we can go along with uranium because the prospects there are so bright that even you guys could not screw it up 100 per cent.

Some of the renewable resources — the Premier— I was not very old when the election of 1971 was held, but I do remember hearing, partly because of my own personal interest in the North, some of the comments made by the New Democratic Party about the forestry industry and how it was being so badly screwed up by the Liberal government, horrendous environment problems, no work, just a sad job that was being done.

Where are you today? You have got two white elephants in northern Saskatchewan, the saw mills in Carrot River and Big River. You lost \$4.9 million this year and \$17 million in the past three years. The Minister of Tourism and Renewable Resources granted a 10,000 cord over-cut permit this year — fine conservation practice. You are clear-cutting far more than was ever done previous to 1971 and losing money all the while you are doing it. You know what the sad part of it is? The Minister responsible for Sask Forest Products almost brags about the fact that he can tighten up the staff at his sawmills by another 10 per cent to make them run more efficiently, a joke, a sad joke about the way you people have handled that renewable resource. Jobs today, potash tomorrow, we hear from you, or energy tomorrow. Jobs today, energy tomorrow, just a wonderful slogan. The Premier went down east to make it because he would catch a little better media attention there. He published a little booklet to spread around and ran big ads in the Toronto Globe and Mail and other papers down there to the benefit of Saskatchewan people. Jobs today, energy tomorrow! Well where are our jobs today. the great centrepiece of this philosophical program you were going to undertake to have the oil plan in Lloydminster is not one second closer to fruition today than it was six months ago. We get that out of your own minister, that program that you are generally responsible for and were bragging so much about down east not there, where is it? Drilling starts, as I said before, this year if you double them you might be to half the Liberal average from 1964 to 1971. That's a shame and if you don't think that has hurt the people of Saskatchewan, your approach, talk to the member for Estevan whom you will seldom listen to. Talk to the people in the Kindersley constituency and in the Swift Current and Shaunavon constituencies, because they have been badly hurt by your approach. You've loused it up.

The potash industry is probably the best example and it's been covered a little here. How did you do there? What position are we at today? You took \$500 million or \$600 million, turned it over to the potash people and they took it out of the country, something that I've heard your dogmatic socialists crying about ever since I've been going to high school, crying about the money that was being taken out of Canada. Well, now it's gone and it's in competition against us and it poses a serious threat to the resources that we hold here in the province. But what about the investment? The Minister responsible for the Heritage Fund considers it a great investment. Last year we made a net return of about one-third of one per cent on that great investment. Lost revenue to the people of Saskatchewan as a result of our potash investment opposed to \$30 million and it will probably be worse this year. Not a gain for the people of Saskatchewan, a loss. You collect \$108 million in potash taxes this year, taxes that you would have gotten if you hadn't taken over the industry. I say, that's foolishness. You've done a lousy job in potash. All of the new jobs you were going to create - maybe 75 new jobs this year, maybe 75 from the Minister responsible for the Potash Corporation in Crown Corporations Committee. Maybe 75 permanent jobs. As a result of you

interference you cancelled well over \$200 million of purposed expansion plans by private industry and you get a hold of it to expand the industry and maybe 75 new jobs. I wouldn't exactly call that a resounding success in the potash field. You haven't done a good job at it. Accept that fact. You like to get up when you're criticized, mislead members of this House and I know you say it to amuse yourself when you are trying to irritate members on this side of the House - 'If the Tories had been in we would have the Alberta royalties, the Alberta tax system and we would have this much money about a quarter of what we have under our fine social 1st government. If the Liberals had been in it would be even worse. "You don't believe that for a minute and yet, as I say, maybe you amuse yourself by getting up here in the House and spewing that garbage. Maybe you do, you know it's not true. But I say if you look objectively at your own record which, of course, you won't do, you would find that you have been a dismal failure. You have been maybe a success in your own mind because your only goal was to get into it hand and fist, get into the industry, then you've been a resounding success. But the results of your intervention, your lack of foresight and your lack of administrative success have been hard on the people of Saskatchewan in the terms of what you have done in the resource field. I say you have done a sad job on it. I think the province would be far better off and in the future maybe you've learned your lesson. I would feel much more comfortable if you would turn everything over to the member for Kelsey-Tisdale because the member for Kelsey-Tisdale isn't a socialist and I don't believe he is, as you would so candidly put it, even a social democrat. I think the man is a blatant free enterpriser and I think he does everything he can inside your Cabinet to see that the financial interests of the people of Saskatchewan aren't sold down the river for some narrow political philosophy. I'd feel better. I've seen the man candidly attack some of the problems he has in the forest industry as a result of your indiscreet entry into the business on Springate's advice. Hopefully he will be able to improve the situation a little. I wish you'd turn over the potash industry and everything else in this province to him, too. It still wouldn't be good enough but it would be an improvement.

I say for you to go around this province and utter, 'jobs today, energy tomorrow', is a joke and any claim you have to success with respect to the overall development of our resource industries in Saskatchewan would have to be considered an accident.

MR. BLAKENEY: — I don't think I'll comment on that at length. May I make some tiny indication of possible success. One of the jobs of a government is to collect money so that it can offer social programs. May I observe that when the member for Kindersley was a young man listening to the election debate of 1971 the party which he was supporting was collecting in taxation, in total yield from non-renewable resources, about \$35 million. We expect this year to get a good deal better than \$400 million. That may be a record of failure but I know a great number of the people who are enjoying the health services and the educational services and social services which are being paid for by that failure would not so describe it.

I know that members opposite feel that, members feel that, let us say, the dental care plan for children is a frill and ought to be done away with and that is one of the sorts of things which are paid for by that money and with your philosophy of that being a frill and unnecessary you would obviously prefer that that is not being collected and, accordingly, that that program not be launched. You say the same with respect to the prescription drug program, another frill which you think government should not be offering. Fair enough, that's your philosophic position, you feel that we should not be collecting those sorts of revenues and pursuing those sorts of programs. That is your philosophic position. That is not, as you phrase it, a social democratic position. It is clearly a free enterprise position and one which we don't agree with. We think that we

should be attempting to turn those resources to account. Clearly, any government could do better with hindsight but we'll match our record with that of any other government in this province or elsewhere in Canada. We think it's not bad and on balance we think that the programs which it has produced and which have been generally opposed by members opposite are appreciated by the public of Saskatchewan and we, therefore, do not agree with the hon. member that this represents a record of failure.

MR. McMILLAN: — Mr. Chairman, I would only like to respond briefly to say to the Premier that firstly, for you to make the argument and I noticed that you only did it half-heartedly, and I don't blame you because it is a rather weak position and it is one we generally haven't bothered to respond to when you make it and that's that the previous administration collected \$35 million and you've collected \$400 million. I say that's fine, if you want to continue to make that argument, maybe it sells. It is difficult to argue in view of the fact that the situation then and the situation now can be in many ways as comparable as apples and oranges. You understand that fact. If you had the same general revenues accruing to companies today as was the case between 1964-71, the amount of money that you take in for the province of Saskatchewan in the way of taxes and levies would not be in the percentage wise significantly different than that which were collected previously. Nor, if there was a Liberal administration in Saskatchewan today operating in place of your government, in view of the overall revenues that are accruing as a result of the increases in world price of potash, oil, natural gas and uranium, the revenues that a Liberal government would collect in this province would not be significantly different than those that you collect today. Our great quarrel has been with you and what we do with the moneys we would collect under those circumstances. I say, you bet we would apply them in a far different way than you did. We wouldn't have the same approach to the drug care program as you have. We have pointed out to you in a very detailed manner how we think that program could be improved. You love to claim the monopoly on a social conscience in this province. If that was ever true in the past, I wasn't around to dispute the facts back then, it is not true today for you to go around doing that. That will be another argument that you make with half-hearted insincerity, because that argument doesn't hold water either.

I only point to the opportunity that you had in this province to have some solid consistent program of rational development and accrual of revenues to the province of Saskatchewan and we haven't seen it. That is all I am saying to you. You have loused up the oil industry; you have loused up the timber industry. Your investment in potash is more than seriously in question. We just keep saying show us the benefit. You have benefited somebody to the tune of \$600 million south of the border. Show us the benefit, \$880,000 net profit? Don't tell me that that is a great benefit for the people of Saskatchewan. If you have put it in the bank, you would have had \$30 million. Don't brag about your potash investment because to date it hasn't come to fruition in any measure of success. The jobs aren't there at all. So only say, one, if the circumstances were reversed and you were sitting here and we were sitting there, your only criticism of us would have to be an administrative one because we would be doing a darn fine job of collecting revenues from our resource development. You know that, and I know that and many members in this House know that. Whether or not you would like the people of Saskatchewan to believe that, is another matter and that is a battle you will have to win out there. Don't try and sell it to me here.

MR. THATCHER: — Mr. Chairman, I felt that I should, seeing it was the Premier's Estimates which were up, that I should bring this to the Premier's attention

immediately. Mr. Premier, in walking through the corridors of this Assembly, as so often happens to members on this side of the House, we get passed a manila envelope with these mysterious contents inside. I would like to read one which was just passed into my hands a few moments ago. Perhaps you could explain what is happening here. This appears to be a press release, Mr. Premier that is going out on the wire right now. It is entitled, (I'll be very brief, Mr. Chairman):

Proceedings in the Saskatchewan Legislature came to an abrupt halt today when members of the press corps suspended coverage claiming cruel and inhuman treatment. Members of the press corps stormed out of the press gallery when debate on the final day of proceedings became bogged down over issues which were over four years old. The Press Gallery Association President, Joe Raiko said the decision to suspend coverage was made by individual representatives of the media involved. No one else made anyone else walk out there was no arm twisting he said.

CKCK reporter Dale Robins claimed unfair treatment at the hands of politicians as the marathon debate dragged on. It certainly has to be cruel and inhuman treatment when politicians insist on dragging up issues which are three and four years old he said. Members of the Legislature still in attendance, which amounted to mostly Cabinet ministers, decided to continue debate on the items left which were useless and they adjourned without setting a date to meet again.

One MLA was overheard to say, there is no point in continuing if the press isn't here to report it. It is the same as not having happened at all. Legislative Law Clerk, Gordon Barnhart said it was the first time in British Parliamentary Practice that a Legislature had adjourned without setting a date for the next meeting. 'We'll come back when the press comes back,' was the comment heard from one of the opposition MLAs, while various reporters were heard to comment, 'Never.'

Now, Mr. Premier, what I am asking, if the press has got enough sense to leave, have we not as legislators and supposedly the leaders of this province, I ask you?

MR. BLAKENEY: — Mr. Chairman. I regret to say that many of those fine thoughts and sentiments did not come from me first, because they certainly expressed my view on many matters particularly with respect to cruel and inhuman treatment. I want to remonstrate with the press when they suggest that sitting up there in that gallery, when they can leave anytime they want to and get refreshments from their quarters inside, represents cruel and inhuman treatment. Think what the position of a minister must be sitting here waiting for some comment which strikes some little spark of intelligence, waiting hour after hour, as this goes on, with arguments not four, but five and six and seven years old. Here I sit, in my judgment, if there is an appropriate claim on the basis of cruel and inhuman treatment that I have got a claim far higher than any in the press gallery. I think they put their case well. I think we would be well advised to address our attention to the future and what we may do with the sums which are provided here for the Executive Council or for any other agency of government, rather than dealing with the matters, four, five and six year old, and dealing with arguments every one of which we have all heard before. I have hardly heard one new and fresh thought, except a rather scintillating interjection just made by the member for Thunder Creek.

MR. NELSON (As-Gr): — Mr. Chairman, I am sure if the member for Thunder Creek

wants to leave, the door is not locked. It is not too often we get a chance to catch the Premier in his chair. It is different to see him in his chair in the Legislature today. I would like to have just a few remarks under Item 1. He told us the other day he preferred the chair in the newsroom where he spends more time than he does across the way. With the Premier's past performance we know that when he does find the problem he finds it more convenient to hide in his office in than to face this Legislature. It is kind of nice to have him here today, even if we haven't any press, we are going to go on and ask him a few questions and get a few things off our chest. They tell me that the Premier can hardly wait to get out of the Legislature to get back on his bus tour. The problems he found down south last year are still there. The deplorable condition of the highways that he mentioned when he got back to Regina are still there. In fact, Mr. Premier the province is worse. The problems in that area of the highways are far worse than they were at this time last year.

I wonder if the Premier's gang is out on the phones getting his proposed route ready for this year. You know, wherever there is a two by four, a few nails, a couple of bricks and a little mortar in one place, the Premier insists on a ribbon cutting. You know, it is a good thing that we have indoor plumbing out in rural Saskatchewan nowadays, because the Premier would be spending the entire summer dedicating the outhouses throughout this province. I guess it is not surprising, because it is a lot easier to stand behind a microphone telling the people what a good job they do with 90 per cent of federal money than to listen to the issues from the people.

I am sure it would be far better for the province if the Premier would go out of his office, start right now in checking next to home, and that is in his Cabinet minister's department. One place I think he should certainly look is in the department in charge of Sask Housing. In one part of Sask Housing Corporation that of the rural housing program we find units completed in 1977, overpayments of \$2 million. Nearly \$9,000 per unit. When we look into some of the reasons for the disastrous situations, it is more appalling. People were allowed to use government funds to write themselves cheques. What kind of scrutiny is this on public funds? Then there was that Christmas party that they charged to the taxpayers for \$845. Does the Premier call this fiscal responsibility? Then there are the trucks which were bought with public funds but the ownership went to names of individuals and I wonder if these are side benefits but this is now a non-profit organization, the government says. It is non-profit to the taxpayers of Saskatchewan; that is for certain. In one particular financial statement we find \$49,000 listed as 'suspense', apparently, items that the Auditor believed, doubtfully able to collect. How long will the Premier keep us in suspense before he tells us who profited on that \$49,000? This may be a non-profit project to the Saskatchewan citizens but there have been many individuals on these programs whom it has certainly been profitable to.

On another Crown corporation, I wonder how proud the minister is when he checks the results of the Saskatchewan Trading Corporation. The administration costs of that corporation were \$144,000. The gross revenue of the corporation was only \$118,000. Without grants and with interest charges, the overall loss of Saskatchewan Trading Corporation was \$120,000, just over 100 per cent. That's some performance, Mr. Premier.

But then we should take a look at what the government accomplished through that corporation. Had it been properly operated, it could have been of some use. The Saskatchewan Trading Corporation contracted 130 acres of sunflower seeds in the province. They assisted in bringing in 32 heifers from Ontario. They arranged for

exporting 19 Holstein heifers to Chile that were sold at the Chilean fair. These were shipped down there six months ahead of the fair and housed at the expense of the government of Saskatchewan while they were waiting to be sold. Oh yes, they arranged shipment of two pigs to Denmark and I'm told they were for breeding purposes.

Now there was more potential for Saskatchewan products sales out in the Pacific Rim countries and the only trading office that they have is in the United Kingdom. Our representative there in the year did arrange for an exhibit at the Royal Fair in England besides getting those two pigs to Denmark. That was quite a substantial accomplishment for a year's work.

Mr. Chairman, I think we should discuss the performance of the Premier and the government. I don't think we can forget the Saskatchewan Economic Development Corporation. Right on the top of the list is that bad deal that the Premier and the government made back in 1973. He paid two and one-half times the value of Intercontinental Packers and just got 45 per cent of the business. A good deal, the Premier shouted at that time but it turned out to be a terrible deal. He has driven all competition out of the province and jobs are lost. This year the return to the people of Saskatchewan was a loss of \$817,000, nearly 10 per cent of the value. I don't think the Premier should be too proud of that performance.

Some year and one-half ago, that motel at Moose Jaw went broke and the Premier and the government have failed to call on the guarantees to recover that \$.5 million. The operation continues to be a disaster as far as SEDCO is concerned and in the past two or three years, the government has reorganized that corporation so many times that the minister has trouble finding the building itself. The Premier allows this minister to cover up and to withhold information. Again this year the government juggled the books of SEDCO financial statements to avoid showing a substantial loss. Last year they took \$17 million out of the government treasury to put in equity contribution; again this year, \$9.1 million to prevent showing a loss of \$10 million, not an honest or a good record for the Premier or his government.

Mr. Chairman, I would like to say just a few things about the Saskatchewan Power Corporation and the government's shabby treatment of the citizens in my constituency. I blame the lame duck actions of the Premier for the harassment of the Coronach farmers and the local government in that area.

More than once I asked him to intervene when the Minister in charge of the Sask Power Corporation failed to communicate with my constituents. Yes. I will say that the Premier did come down on his showcase trip to Coronach last summer but he hurried out of town after discussion got so hot that he had to hustle the media out of the meeting. Certainly, some agreements have been reached in the area and they are long overdue.

Never should citizens of our province be subjected to the harassment that the farmers of Coronach had to endure. Never should local governments be ignored and mishandled as was the rural municipality of Harte Butte in that area. Hopefully, Mr. Chairman, the Premier has learned a lesson from the Poplar River Power Project and hopefully, in the Nipawin area or wherever the next SPC project will be started the government will use more sense than they did at Coronach.

Surely, Mr. Chairman the Premier and his government will try to communicate with people, communicate with elected officials and stop the continual steam-rolling tactics of the present Minister in charge of SPC. Mr. Chairman, it is time that the

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Premier of this province took his role seriously. It is time that he put himself into the seat in the Legislature so that one of these days when someone comes into the Legislature, they won't wonder who that stranger is across the House.

Mr. Premier, I would like to ask you when you first became aware of the troubles in the Sask Housing Corporation and just whom did you dismiss in that corporation besides the Minister of Municipal Affairs?

MR. BLAKENEY: — I don't agree with the remarks of the hon. member.

MR. NELSON: —The Premier doesn't want to tell us if anyone was dismissed in the Sask Housing Corporation besides the minister he dismissed.

MR. BLAKENEY: — No. I think the answers with respect to Sask Housing are known to all hon. members of this House and one can argue about this government policy. I defend it. We are getting rural and native houses built by corporations, by non-profit corporations which are largely employing native people whereas, as the hon. Member will know, to build the houses they are meeting contracts by regular construction companies and are not able to build the houses as cheaply as regular construction companies. We are paying more money for our houses because they are being built by native people. But I don't think it is costing the public purse any more money because I think that if the people who built those houses were not working and building those houses, they would have been receiving public funds for not working. We think we are as well off in cash as we would otherwise be and in addition, we have a number of people who are learning skills that they would not otherwise have learned.

The basic philosophy of this government is that it is better to pay people to work than pay them not to work and we have to pursue ways to do that. One of the ways is to get housing construction going. I concede that we can bring mass builders who could build those houses cheaper than those particular people could build them themselves. I do not believe that the public purse would be ten cents better off and as to the longer term solution of solving problems related to registered Indians and Metis people, I think we would be worse off. So I think by and large, the Housing Corporation, in pursuing that policy is pursuing a policy which is in the public interest.

MR. NELSON (As-Gr): — Mr. Chairman, does the Premier not think that an over- expenditure of \$2 million, an average of \$7,500 per person employed on that, over and above the government estimates, estimated cost on that, was out of line and that had there been proper scrutiny, this should not have happened in any way?

MR. BLAKENEY: — Not necessarily at all. I think \$7,500 a person, may indeed be high but I think, unless the hon. member can tell me that these people would not have gotten \$7,500 out of the public purse for networking, then he hasn't proved anything. If he is suggesting that there were lots of other jobs that these same people could have had and we would not have been paying out of the public purse money to most of the people who were not working, then he hasn't proved a thing. And the whole point is that we have to find a way to employ people; we have to find a way to get them skills and perhaps the best way to learn to build a house is to build one. Perhaps the best way to learn to build a house is to build one; perhaps the best way to get paid out of the public purse, is to be doing a job and learning at the same time and perhaps you are not as efficient as a mass builder, but I am not by any means, convinced, that that public policy is one whereby the public suffered any net loss.

MR. NELSON (As-Gr): — Are you not convinced, Mr. Premier, that people that go in and write their cheques on their own and then leave their job, leave the province, take off is bad and a poor way to spend public money?

MR. BLAKENEY: — Well, I agree with the hon. member that the, he is not, mind you, suggesting that any employee of the government of Saskatchewan did that. I know he is not suggesting that. He is suggesting that some people who work for some of the contractors behaved inappropriately. That's happened and I agree, I agree that there should be better accounting; I agree that many people who take contracts with the government don't keep their books properly and I agree that it is a problem when you are dealing with companies which are organized by people who are not normally used to accounting practices. That's one of the problems. We have had this problem from day one, with respect to a number of those agencies; with respect to many of them, I am advised that better controls are being introduced. But I want to say to the hon. member, to all hon. members, if we think that we are going to deal with, let us say many of the people of Northern Saskatchewan, or many of the people of native ancestry in this province and expect that all our dealings with them will be on a basis which will satisfy the average chartered accountant, we had better think again; and if we are not going to enter into any venture unless the books are kept in away satisfactory to every chartered accountant, then we are not going to enter into many ventures. We have to see what we can do in the best way we can do in order to give an opportunity to these people to learn skills and to get into the work force, to have a job and to work on a regular basis and in part, manage their own affairs. The record, on the whole, is pretty good but there are some cases of serious deficiencies: hon. members pointed out some, I regret them: I hope they won't happen again but I can give no assurance that they won't.

MR. McMILLAN: — I would only say, Mr. Premier, I mean there is one reason and one reason only that we bring this matter to your attention. I think if you check with the Minister responsible for Sask Housing, members of our caucus that are on that committee were very amiable. We agreed with the principle involved, in paying people to work not to work; we thought it was a good idea to develop housing in this manner. We gave considerable credit to the federal government for providing their portion of the funding; we said that we were pleased with Sask Housing's attitudes toward the whole thing but we highly criticized the lack of administration there. The minister responsible currently, wasn't there when the problems arose. The question arose in our mind, why no one was there supervising the development of this program, so that these abuses wouldn't happen? That was our point. The minister gave us the assurance that it wouldn't happen in the future: now we are happy with the minister. We think he gave his word for it and we know they will be more careful. The question is, why was no body there to prevent that? How do you take millions of dollars like that, hand it to people you know have no experience in accounting, construction or management? How do you do that and expect it to work out properly? You know what you just said to us; do you know what you just said to us? If you expect us to run programs which accountants can sign their names to that have been carried out in generally accepted accounting principles, you are kidding yourself. That is what you said to us. You said to us that there will not necessarily be, in every case, the fiscal accountability. What has our complaint been to you now? In your Estimates, its been that you haven't been here to account for the actions of your Cabinet ministers. That's our criticism. You play it politically quite clever. You run down to make your bid a big announcements where you get good press and you stay away from the messy stuff. Political gamesmanship, that's fine. But you have some responsibility; at least we expect you to have some responsibility for what goes on in your government. We point out one single instance to you. You get up in defence and say, don't expect us to have fiscal accountability all the time. Well, we do!

We are here representing the people of Saskatchewan. There should not be a program run by this government that an auditor or a chartered accountant could not sign at the bottom and say that, to the best of his knowledge, these financial statements represent fairly the fiscal position of this company or agency. There should not be one instance: maybe they won't all make money; maybe you will get some criminal abuse of some programs that interfere with the financial statements. I expect those would be immediately corrected by the necessary legal enforcement agencies, but there had better not be one program brought in here without fiscal accountability and that is your responsibility to see that every one of your ministers operate in that manner. It is their responsibility to see that all of their employees operate in that manner. We know about you people more than anyone, that you won't be financially successful in all of your ventures. That's another argument for us to make but you'd better be prepared to be fiscally accountable to the people of Saskatchewan. Our great criticism of you is that you will not be accountable. Whenever there is a tough issue coming up, you are gone so you are not accountable. When you are not at your weekly news conference in the same happy spirit you would normally be or someone else runs a little interference with the press for you before your conference comes up — that's been our criticism. You don't intend to be held accountable for the problems of your government; we say you should.

MR. BLAKENEY: — Mr. Chairman, I don't think I need defend myself against that charge, because I have before. If anyone wants to look at the record of how many times I am in this House and how few questions I get, allegedly to respond to these pressing charges. I think it was Tuesday night or was it Wednesday night, all of these allegations that I was not responsible, I sat here the next day for one-half hour and there wasn't a single question about these pressing matters that I wouldn't respond to.

Let me come back to the very point that the hon. member makes. Certainly every expenditure by the government of Saskatchewan will be fully accounted for and has been fully accounted for. No one, I think, suggests otherwise. If the hon. Member thought I said otherwise, he wasn't listening . . . Well, then I think there is no real point in my carrying on, Mr. Chairman. I hope hon. members are not suggesting that any employee of the government of Saskatchewan was not fully accountable. If they are, I want to hear and I want to hear it now.

MR. McMILLAN: — Tell me which employee the people of Saskatchewan . . .

MR. BLAKENEY: — Now, just a moment, are you saying that any . . .

AN HON. MEMBER: — . . . hear it!

MR. BLAKENEY: — No, . . . I want to ask the hon. member for Kindersley one simple question and my bet is that he won't answer. Are you saying any employee of the government of Saskatchewan is not fiscally responsible, and if so, his name?

MR. McMILLAN: — Mr. Chairman, and Mr. Premier. We have been spending two days here trying to explain to you that we don't feel you have been accountable to the people of Saskatchewan. Your people, the people that work in Sask Housing. . . we sat 10 feet from them and went through the entire problems that were developed in Sask Housing Corporation and we didn't get ugly with them. Some of the other members of the Legislature did, but we didn't. We carried on in a responsible manner to protect the interests of the public. If you don't believe that, talk to the Minister of Finance whom you

probably seldom talk to, and maybe never talked to until this little item came to your attention in the press. That is the problem! You have got to be held accountable for the things that go on in your government. Now, if you had stood up in this House and said, yes, we had an administrative problem in the department responsible, Sask Housing Corporation; yes, it was something we didn't foresee happening. You could have gotten up and said we were careless, because you were. No one in Sask Housing Corporation was unethical, operated unethically. No one operated illegally. But they operated carelessly in my estimation. Who answers for that? I say they were careless — over \$ 1 million. Who answers for that? Whom do we hold responsible? First we hold the Minister responsible for Sask Housing Corporation at that time responsible for that carelessness. Believe me, we hold him responsible. Who is responsible for that minister? You are. I say if you allow these things to go on in your government and don't get up and make any apology for your lack of care with the public's funds, then you are to be held accountable, fiscally and otherwise. Obviously when you run a semi-pseudo corporation that has a \$1.7 billion Budget a year, as your government does, and you are also responsible for all the Crown corporations in Saskatchewan which run hundreds of millions of dollars worth of Budget, you are going to perhaps run into some financial indiscretions. It will happen to every administration; it will happen to every company running on that scale; obviously that happens. We have said to you, yesterday and the day before, where does the buck stop? The buck stops on your desk. We want a little accountability; we want it from you, the public's number one servant.

You talk to the Minister responsible for Sask Housing; we never accused any of his members of operating unethically, or any other way, except perhaps, carelessly. Now, if you have anything further to offer to that. I would appreciate hearing it.

MR. BLAKENEY: — As I expected, the hon. member did not name anybody but myself and he did not suggest that anybody had been acting financially improperly. Or did he? . . . Me?

MR. McMILLAN: — Did I ever make that accusation?

MR. BLAKENEY: — No, I thought not. He is not suggesting that money should not be advanced to these corporations - native corporations, non-profit Housing Corporation . . . No, he is not suggesting that. He is not suggesting that they should not be given an opportunity to manage their own affairs. Or is he?

MR. McMILLAN: — Talk to . . .

MR. BLAKENEY: — Ah ha. It follows as the night the day that if you have a large number of them out there, some of them are going to make errors. Or are we to run the corporations? Our view is that they should attempt to run the corporations. Clearly, we should be of assistance. May I point out to the hon. member as I am sure he knows that the original supervision for most of those was the responsibility of Central Mortgage and Housing Corporation. I am sure he knows that.

MR. McMILLAN: — Talk to your minister.

MR. BLAKENEY: — I have already talked to my minister. But leave that aside. If he is saying that we should manage the affairs of those corporations so that they cannot misappropriate funds, so that there can be no misappropriation by anybody who contracts with the government of Saskatchewan, then clearly he does not believe that any highway contractor should be able to manage his own books; that any building

contractor should be able to manage his own books; that anybody who contracts with the Saskatchewan Housing Corporation should be able to manage his own books. Clearly, that is not possible. Those people contract with the government; they manage their own affairs. There are going to be cases of improper expenditure. That is a fact of life. If the hon. member feels that we should run the corporations, I wish he would say so.

MR. McMILLAN: — Well let me explain something to the Premier who isn't aware of the Tories or he chooses to ignore them. If you would like to know which positive suggestion we gave to the Minister of Finance responsible for Sask Housing Corporation you might ask him because we were very sincere when we were discussing those matters with him. We told him what we thought he could have done in the past to have avoided the problem they ran into and what we hoped he will do in the future. Let me explain to you some problems.

When you take on a general contractor to do work for the province of Saskatchewan with few or no exceptions they are bonded. That is to protect the people of Saskatchewan's money. We have seen clear examples in the last little while of people who operate indiscreetly with funds and end up taxing the people of Saskatchewan indirectly. We have had cases of that happen in the not too distant past. The people who were doing the general contracting, building of these houses were not bonded. Number one, you asked me if I think we should put some one in there to run those projects, the answer is, in the strictest terms, no. I will tell you what our suggestion was though which would have been a natural move by management and administration to protect the investment of the people of Saskatchewan. That was to have put in adequate supervision at the time that money was being spent to see that, as a result of inexperience or indiscretion, the public's money was not wasted away. That was our suggestion. The Minister for Sask Housing did have some people checking it out. Once a month they sat in their office and waited for receipts to be sent in and they checked them off and did their own little monthly audits, completely inadequate. Did they have anyone out there advising those people who had no experience in construction or management on how to run the operations, assisting them? No one, not a soul. Did they have regular checks of construction projects to make sure that when 60 per cent of the funds had been paid out for construction, roughly 60 per cent of the work was done? Yes they did - on such a limited basis as to be almost ineffective. I say that is not good accountability. I said there were things that could be done, short of you people completely managing the projects which would have led to better construction, which would have led to better management and a better learning process for the people who were involved and better protection of the peoples' money. And if you were on top of your ministers and your ministers were on top of their officials, they would have been on top of that situation and the people of Saskatchewan would not have lost over \$ 1 million.

MR. BLAKENEY: — I simply don't agree with the hon. member's comments.

MISS L. B. CLIFFORD (Wilkie): — Mr. Chairman, I realize that the hour is getting late, however, I would still like to comment on a number of situations which I think are of a dangerous situation in the province. Our Premier, has said previously, that he would like' us to dwell on policy of the government, which he will claim responsibility for, so I will try to stick to policy, because I would like to know where you feel that your government is going to go in these areas. Because, I think, that in two main areas we are seriously lacking.

I would just like to, briefly, quote two points from your 1975 and Beyond and challenge your pamphlet, election pamphlet of 1975. It said that the core of your proposals are the two overriding issues.

These two were the right of Saskatchewan people to achieve a level of development, Saskatchewan style, equal to that enjoyed by people anywhere in Canada.

(2) For the right of Saskatchewan people to reap the benefits due them as owners of their vast resources.

Looking at these two principles, I would like to, again, look at two areas which I feel that you should have a large amount of concern.

I would presume that as the head of your government you will agree with these two principles that were stated in your policy booklet. You have often shot across the floor here that, well, what is your solution? Or what would you do?

Well, I would like to point out to the Premier in case he doesn't realize, and I sure he does, that you are the government and it is up to you to come up with some solutions. But, again, the process of the number of sessions we have had here, we have come up with a number of solutions that have been mentioned previously that have fallen on deaf ears to your side of the House.

The first area that I would like to look at is that of senior citizens and I am glad that the two areas that I am going to focus on, both ministers are here as well as the Premier. All three ministers are here as well as the Premier.

In the province of Saskatchewan there are 100,954 senior citizens that are receiving assistance from the federal government. From that, in Saskatchewan, there are 37,932 senior citizens who are receiving assistance from the Saskatchewan government. Now, those figures may not be that important other than the fact that one-third of the people in Saskatchewan who are receiving assistance from the federal government are receiving from the provincial government. But what do they receive?

Well, Mr. Chairman, and Mr. Premier, up until very recently the most average amount that they received was \$17.09 through the supplement. Now, I grant the Minister of Social Services has since had an increase in the amount of assistance that is available to supplement the income of senior citizens, but on the whole I feel that senior citizens are being treated like second-class citizens in Saskatchewan. It is not fair for these People who have done most of the building of whether it be highways or our church or our education, to be treated as second-class citizens.

MR. ROMANOW: — . . . question.

MISS CLIFFORD: — I haven't asked one question. Will you just wait for the question if that is what you are waiting for?

I would, first of all, ask the Premier if he feels that there is any way -I would like you to give some facts, because I feel that Saskatchewan has the highest rate of nursing home care from Quebec west, at least, maybe across Canada. I don't think that that can be denied. So I am asking you, where is your concern particularly for the senior citizens?

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I have asked a number of times previously that you increased grants to residents in special care homes, individual residents, not just give them to the nursing homes for care of hard to care residents. You have done that, you have given additional assistance to people for special care residents who are hard to care for. However, that doesn't come down to the basic individual resident who usually just stays at the home care level.

We have also suggested, as has been mentioned by the member for Wascana and the member for Lakeview, that we have had a bill to help senior citizens who were 65 years of age and over, to help them for increased costs in power and natural gas and things from Crown corporations.

Now this bill has been conveniently delayed so that we will not have a vote on it, so you do not have to express an opinion on it. I would like to know, from the Premier, where your policy lies in this area. Are you going to stand up and put your money where your mouth is, or are you just going to leave things like this to be not voted on and so we don't know what your opinion is? This, indeed, would have helped senior citizens, in Saskatchewan, when we have had huge increases in the power rates.

Now, this has been argued back and forth, the reasons why they have had the increases and whether or not there should be and we have asked that the general consumer in Saskatchewan be given a reduction in their rates because of the high profits that have been made by Crown corporations. Now, you have rejected that. But, by all means, why have you rejected it for the senior citizens? These people who have helped build Saskatchewan, I think they should have a reduction.

There has been article after article in the Star Phoenix and the Leader Post of senior citizens who have had their power bills increased from \$12 to \$24, double. You know what happens, very well, Mr. Premier, when you have to pay your power bill and your natural gas bill and your heating bill, you pay those first so they do not get cut off. Now, this may sound like a very soap box statement, but that is the truth. The senior citizens will pay for what they have to have and then they will cut back on the amenities of life and sometimes they will cut back on their very needs, like groceries and other things. I think that any government, whether it be your government or my government, should look after the senior citizens first. I think that we are not doing that.

As well, the Minister of Social Services has stated that, perhaps, we should be walking slow when trying to establish more nursing home care. I feel that senior citizens in Saskatchewan will be increased by a large amount by the year 2,000 and we cannot ignore the fact that the senior citizens will be one of our major concerns. If it isn't now, it surely will be by the year 2,000 and we cannot ignore the fact that just because you have installed some home care proposals, which are good and I give you full credit for them, that we will not have the problem of having additional nursing home care needed.

That is one area that I think you must look at. The fact that you have increased your supplement by \$5 a month, 16 cents a day, you have heard many times, is fine, but it is a token proposal. It is something that we have to look at and I think it should be one of your main prime concerns. You can stand and say that the amount of increase that you have given in the past. four or five years in your Budget, you can stand and you can say, day after day, after day, but the fact is these people are still, most of them, over 50 per cent of them, are living with incomes under the poverty line and it should be one of your concerns. I think that is something that you have to look at.

The second area that I am very concerned with is, as you well know, is of the problems of law and order. That is the Attorney General's Department and that is your department and your Estimates will here, yes. But I am asking the Premier. Surely he knows that this is one of the main problems that are of concern to the people of Saskatchewan. It seems that the Attorney General isn't particularly interested so I am going to appeal to you. And all these problems, you may say, I could have brought to the ministers. Well I have brought to them. However, the problems with the Department of Social Services, I brought there, they said that a few problems were with the Department of Northern Saskatchewan, a few with the Attorney General, a few are with the Minister of Social Services. There has got to be somebody who you can come to to bring these problems to, because if they all say, well it is his responsibility, it is somebody else's responsibility, well then. Mr. Premier, I am asking you what your opinion, your policy, of what you feel should be done about this? I am not asking you to pass the buck off to anybody else, because they have been doing that for a long time.

I have mentioned the problems with, particularly, in the area of corrections with the probation system. Now the fact that the probation system isn't overstaffed, surely, but the caseload is overstaffed. When I came here in 1975 I asked what the ratio between the number of cases per probation officer was and you told me it was 48. The Minister of Social Services told me it was 48. It is now 47, Mr. Premier, four years later. Now the problem we have there is the fact that you cannot keep up with the cases, so you do not know whether they are deteriorating or whether you should bring them back to court or whether you should re-institute a different sentence. How do you expect the condition of law and order to improve in Saskatchewan if we really haven't got our fingers in what is going on? This is an area that if you spent more money on it, if you made it one of your priorities, perhaps we could stop the problems that we are having with law and order. If you don't know what is going on and try to prevent it, how in the world are we supposed to do anything about the problems that we have in law and order?

Mr. Premier, I don't know whether you have ever heard the rest of my gripes about corrections but I am gathering that the hour is getting late and it is getting too late to go into them again. But this is surely an area where you do need additional money. The Minister of Social Services has said that I don't have any more money to add to increase the probation officers. You know, that is just like passing the buck. The buck comes as we have said many times, to you. If you feel that law and order is a priority, then I think that the Minister of Social Services should consider it a priority and you should be able to give him more funds for that because that is an area in which you could do something positive. You have not designated, in your mind, or in the policy of the Department of Social Services the area of corrections as a top priority. At a time when action is crucial you have tied the purse strings for it and you have put your financial priorities in other areas, which happen to be at this moment control of resources. If that is where your priority is, well so be it, but I wish you would stand up and state it.

Mr. Chairman, and Mr. Premier, I would like to add to another area that I am concerned about in Social Services and in corrections and I will speak very briefly on it. That is, again, that of the wilderness camps. This is one area where I am particularly frustrated because I have asked what your policy is and when you are going to look into it. The Minister of Social Services says, well, we are looking into a committee and the Minister of Northern Saskatchewan is involved and the Attorney General is involved. In the meantime this Ranch Ehrlo is standing back wondering whether or not they are going to get any financial support. They cannot plan ahead of time because they don't know whether or not they can open up the camps because they certainly do not have enough

money. Now it is fine to establish a committee system but it is not fine to hide behind the system and not do anything about it. I think that you are leaving them in a very poor position so that they cannot get on with the work and the good job of rehabilitation.

There have been other complaints that have been mentioned, which I won't bring in, one being the Walter Chester case. You will be relieved to know I am not going to start up again this afternoon. As well I think that it's just inactivity and not looking at the problem Mr. Premier, if the other departments aren't going to look at it seriously, then it is up to you to try to make some sort of a policy on it. It is time that we quit leaving it up to one department after another and not taking any responsibility for it.

Mr. Premier, you have mentioned that it takes a team and it takes leadership. Well it takes an understanding of what is going on in your department. We do need leadership in your government, which we don't seem to have at the moment.

Another example, I would just like to close with, of a positive suggestion that we have made is that we tried to institute a motion that would take tax off children's clothing. This may seem like just a minor sort of an amendment that we tried to make but the Minister of Revenue said, it's impossible to do. What are you going to do about it? He said you can't do it. Well, Ontario is doing it by the size of the clothing. Through all your logic you said, well it is impossible to be done but you have forgotten that it was in your 1971 election promises. The very same thing that you promised during the election you couldn't come through with the support.

So Mr. Chairman and Mr. Premier, your government has turned out that it is not particularly a government that is concerned about law and order, concerned about senior citizens or concerned about the people. You have become a greedy government and a government for profit and not for the people.

SOME HON. MEMBERS: — Hear, hear!

MISS CLIFFORD: — I was wondering what Lloyd and Douglas would think about your policies. You know the people of Saskatchewan will judge you on the lack of concern for them. You are not tackling these problems, Mr. Premier. You are hiding from them and your government is hiding from them. You have submitted to pressures and adopted a policy of procrastination, of pussyfooting around. You have lost your purpose and you have lost your philosophy in exchange for profit and political gain. You will be remembered as the pussyfooting Premier of 1979 and I think that the people deserve better and expect better.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — A few comments. The hon. Mr. Lloyd is dead, prematurely dead and I can't tell you what he feels about our government. Mr. Douglas is kind enough to say the most flattering things about our government when he talks with me. I don't know whether he is being less than frank, but I see him frequently. He is a long-term friend as you know and if he has vigorous criticisms he hasn't voiced them with me. I think that's not wholly surprising because many of the things which we are doing are things which I know he would approve of.

With respect to senior citizens, I know that there are always things that can be proposed, particularly when one is in opposition and when so much is left undone, when the party which you represent did so little during its particular period of office. I

note that the theory is that the income payment, the supplementary income payment is not large enough. It represents the vastest possible increase over the amount which was paid when we came into office, which was zero. There are not many governments in Canada which pay a supplementary income benefit. We pay one of \$25. It is not a tremendous sum of money but it is widely appreciated and we believe represents a contribution to assisting senior citizens.

With respect to the general comment about our not doing enough for senior citizens, I don't have a great deal to add to the questions you will have asked the Minister of Social Services when his Estimates were there.

MISS CLIFFORD: — He ran out.

MR. BLAKENEY: - Pardon?

MISS CLIFFORD: — He ran out again.

MR. BLAKENEY: — He was here. I'm sure you grilled him on these issues and he will be fully acquainted with them. I find it difficult when the hon. members say we should be doing more but we shouldn't be doing it in the prescription drug area, for example, where senior citizens are very, very major beneficiaries. We shouldn't be doing it in the SAIL area (Aids to Independent Living area) which program is consistently criticized. I think of the Hearing Aid Program which is not confined to senior citizens but they are certainly the major beneficiaries. Well mention has already been made of the Home Care Program primary but that one will be of benefit to senior citizens.

We are of the view that our senior citizens' program, while not perfect, is a good program. We continue to try to find the areas where people are suffering the most hardship. The number of senior citizens who are in fact suffering hardship is comparatively small, but I am not saying they do not exist. This is particularly true of those who are suffering because of failing health and want to stay in their own homes.

We think that the Senior Citizens' Home Repair Program has been a great program that has been widely appreciated and has helped a good number. We think the Home Care Program, combined with that, and some of the others will do a lot to assist our senior citizens.

With respect to wilderness camps, I do not know what the Minister of Social Services (Mr. Rolfes) will have said. I am sure he will have said substantially what I now say, that we wish to continue the program of wilderness camps. We believe that the program is well conceived. We think that there were some difficulties as revealed by the Royal Commission with respect to the operation of the wilderness camps. We would like to iron out those kinks and continue with wilderness camps.

There are simply no complete answers to correction programs. We simply have to experiment. We think wilderness camps are a good experiment and we hope to see those continued in an improved form.

With respect to law and order it is certainly a priority of ours. The whole area of corrections is a priority. We have announced, as members will know, a major construction program with respect to the corrections facilities. Here we are talking about different kinds of facilities, small facilities in northern Saskatchewan which are

going to be built or are being built. We have some now and we will be building more small ones for minor offenders from the North. We are a long way a long with respect to new and smaller institutions at Prince Albert and Saskatoon. We want to get at those problems. We have to protect society and the way to protect society is certainly to get bad actors off the street where possible. We acknowledge that it is not possible in all cases, and perhaps even in most cases, to bring about some reformation so that when these people get back on the street, as they inevitably will, they are converted. We know that will not happen in all cases and perhaps most cases, but we think that a proper program can reduce the recidivist rate. We believe that the greatest inducement to having people obey the law is to have a vigorous program of law enforcement. We do not necessarily feel that the long prison sentences are the answer. We believe that the way to get observance of the law is to make it as nearly certain as we can that a breach of the law will result in apprehension and conviction.

The Attorney General will be happy to advise of the steps taken to increase even further the number of police. We are working with municipalities and others to see whether we can get police forces which are even more closely based in the community. The increase in support for the municipal police forces has indeed been massive and we look forward to continued improvement in that area.

Generally speaking, we acknowledge some of the points made by the hon. member for Wilkie. We recognize with her the importance of those areas and we will continue to work on them. We do hope that we will continue to make the progress we have made in the past.

MISS CLIFFORD: — Mr. Chairman, I really only have one short question. It is a very serious question. A number of these departments have indicated, when asked a question, that they have to wait till this department deals with it or they have to wait till that department deals with it and soon. I have mentioned that in some areas there are at least three departments that do have overlapping areas that could affect the problem. I would like to ask the Premier if there is any consultation at all between these departments in such an area as corrections or law and order or whatever. I do not mean, yes we meet once a week, or whatever. I just want to know, is there really any association between departments, or are you just going along your own way?

MR. BLAKENEY: — I think there is a lot of association. That is one of the greatest problems in running any government or any large organization, getting co-ordination between the various branches. There are a whole series of techniques. In a lot of these we simply will not accept recommendations from one deputy that we do something unless it is accompanied by an agreement or comment from another deputy who is clearly involved. That is one way to induce adequate consultation, but there are a lot of other structures, primarily through the organization known as the Budget Bureau, which just means that there is a lot of consultation and a lot of common planning of government programs. It is always easy to point out where there appears to be a failure of co-ordination. There is a vast amount of coordinating that goes on. Doubtless it can be improved. I am not denying that it can be improved. A great deal goes on and we think that it does bear fruit.

Items 1 to 8 agreed.

Vote 10 agreed to.

ATTORNEY GENERAL - VOTE 3

ITEM 1

MISS CLIFFORD: — I just have a couple of questions that the Attorney General insisted that I ask when I was asking the Premier, so I will ask him.

First of all I would like to ask the Attorney General, Mr. Chairman, what methods of alternative sentencing are being looked at and I know you cannot decide for the judges, so please do not try to twist my words around, but there should be alternative methods of sentencing besides the jail situation. I think you indicated last night that there is a problem in the federal jurisdiction whereby you cannot have any alternative other than the jail situation or having probation. Now, in that case, if that is the situation have you done any negotiating with federal authorities or federal ministers?

MR. ROMANOW: — Mr. Chairman, we have a wide option of sentence options now which are in existence. First of all, we have the fine option program, we also have the question of the preprobation reports with respect to wilful damage. I forget what they call that program, the one where they work off the . . . restitution program. There are the variety of paroles with conditions. We have no problem basically with respect to adult offenders. The difficulty is with juvenile offenders and as I have said, we have worked out sentence alternatives in the new Young Offenders Act, of which there are seven.

MISS CLIFFORD: — Would you repeat the last sentence? You worked out . . .

MR. ROMANOW: — I said that there are new sentence alternatives in the Young Offenders Act, which we think will overcome the fact that there are no options now in the Juvenile Delinquents Act. Once the Young Offenders Act becomes law and we are able to implement it and I answered the member yesterday, saying that we are looking at the facilities that are required through Social Services.

Items 1 to 21 agreed.

Vote 3 agreed to.

SUPPLEMENTARIES

Item 2 agreed to.

PUBLIC AND PRIVATE RIGHTS BOARD — VOTE 31

Item 1 agreed to.

SURFACE RIGHTS ARBITRATION BOARD — VOTE 37

Item 1 agreed to.

SASKATCHEWAN TELECOMMUNICATIONS - VOTE 53

Agreed.

SUPPLEMENTARY - RURAL TELEPHONES

Agreed.

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SASKATCHEWAN HERITAGE FUND

Agreed.

MINERAL RESOURCES - VOTE 43

Item 1 agreed.

ITEM 2

MR. MALONE: — Would you indicate to whom this money is to go? Is it strictly Saskoil?

MR. SMISHEK: — To freehold producers.

Items 2 and 3 agreed.

Mineral Resources - Vote 23 agreed.

CONTINUING EDUCATION - VOTE 5

Agreed.

CULTURE AND YOUTH - VOTE 7

Item 1 agreed.

ITEM 2

MR. MALONE: — A question, Mr. Chairman, to the minister. One of these two residences, I forget which one, was the former residence of the Lieutenant-Governor of Saskatchewan until the CCF came into power and stripped him from that particular residence and forced him to live in a suite in the Saskatchewan Hotel.

Is it the government's intention to re-establish that as the residence of the Lieutenant- Governor as some of the other provinces in Canada are now doing, providing official residences?

MR. SMISHEK: — No. Mr. Chairman, we have at the present time or the Department of Culture and Youth has an architect. They are fairly well advanced in a number of proposals for renovation. It will be available to the total community including its use by the Lieutenant-Governor, but not as living quarters.

Vote 7 agreed.

GOVERNMENT SERVICES - VOTE 14

Agreed.

HEALTH - VOTE 32

Agreed.

HIGHWAYS AND TRANSPORTATION — VOTE 17

Vote 17 agreed to.

DEPARTMENT OF NORTHERN SASKATCHEWAN — VOTE 27

Vote 27 agreed to.

TOURISM AND RENEWABLE RESOURCES — VOTE 40

Vote 40 agreed to.

LOANS, ADVANCES AND INVESTMENTS — POTASH CORPORATION OF SASKATCHEWAN — VOTE 61

Item 1

MR. MALONE: — I would like to ask a question here, Mr. Chairman, I am not sure whom to address it to, whether it's the Minister of Finance or the Minister in charge of the Potash Corporation. I would like to know what the \$20 million is to be used for. This is the question.

MR. SMISHEK: — . . . advance is really capital expenditures for the corporation; \$7.3 million in case of Cory mine: \$8 million for Rocanville. I am sorry, Mr. Chairman. These are the expenditures that are estimated; \$7.3 for Cory: Rocanville, \$8 million: Lanigan, \$7 million. That is a total of \$22.3 million. It is expected that they will generate \$2.3 million from internal funds and \$20 million will be advanced from the Heritage Fund.

MR. MALONE: — We finally have some semblance of a return from the Potash Corporation of Saskatchewan, \$2.3 million. Now, we spent hours and days in here asking for some figures and it finally slips out on one of the last Estimates of the whole year that they expect to at least generate \$2.3 million. You know, how many hours Minister, did we spend with you, the Premier, the Minister of Mineral Resources, asking for some indication of a return on the investment in the Potash Corporation and we got no answers at all. And now you, by a slip of the tongue, indicate that we may get \$2.3 million. Surely it is a little late in the hour to give us that information. My question to you is, we are aware of course of the expansion at Lanigan and the necessity of shutting that mine down for a period of time, will the investments in the other two mines result in those mines being shut down with the necessary lay-off of workers?

MR. SMISHEK: — The answer is, no, and may I also add for the edification of the hon. member that the \$2.3 million is not all of the revenue or the income that the Corporation is going to have. It is merely in case of renovation and expansion, that we are to propose in the next year to be spending \$22.3 million; \$20 million will be an advance from the Heritage Fund and \$2.3 million that they will generate internally but that is not all the profit that the corporation will have.

MR. MALONE: — O.K. I don't know how long we spent in this House, members and all opposition parties, trying to dig out from you how much money was projected as coming from the Potash Corporation of Saskatchewan. We did it to you, we did it to the minister in Crown Corporations, we did it to the Minister of Mineral Resources, we did it to the Premier and we simply got no answers at all. Now at the eleventh hour you come up and say, well there is going to be at least \$2.3 million; that's news to us. It is news to

the people of Saskatchewan. If you can tell me you have projected \$2.3 million here, how much more? I'll ask once again, how much more revenue is that corporation going to generate?

MR. SMISHEK: —I am not able to provide that information, Mr. Chairman, as to the total amount of profit that they will generate in the coming year. The annual report is going to be available some time this fall. Then we will have the figures available for the fiscal year, July 1, 1977 to June 30, 1978. Remember that what is being estimated in here is for an entirely different period of time. This is April 1, 1978 to March 31, 1979 for these types of expenditures on renovation and capital expenditures.

MR. McMILLAN: —The minister must be aware that the \$2.3 million you talk about is in fact what you hope will be retained earnings by PCS. What happens if PCS instead of having an increase in their assets, retained earnings of \$2.3 million that they can afford to extend on capital expenditures, what happens if they loose money next year? Are you assuming they will borrow that, or what is procedure then?

MR. SMISHEK: — Mr. Chairman, this has really got nothing to do with profits of the corporation. This is a cash flow. Out of the cash flow they will be spending \$2.3 million on capital renovations.

Item 1 agreed.

Vote 61 agreed.

SASKATCHEWAN MINING DEVELOPMENT CORPORATION—VOTE 62

ITEM 1

MR. MALONE: — What is the \$40 million going to be used for?

MR. SMISHEK: — Mr. Chairman, this is in case of SMDC for mineral exploration. Projects operated by SMDC, net of recovery from partnerships, this is the net of \$3,824,000 — exploration overhead, \$390,000; land, building and equipment, \$1,133,000. That sub-total is \$5,345,000. Projects operated by the industry—these are voluntary ventures, \$9,527,000; mandatory ventures which now exist, \$5,793,000; joint ventures overhead, \$722,000; contingencies and possible new ventures, and detailed drilling, \$9,235,000. That sub-total for those is \$25,277,000. In case of the Key Lake development \$7 million; relocation to Saskatoon, \$629,000; general overhead, building equipment, \$1,740,000. The net fund requirements, \$39,957,000. The figure is rounded out to \$40 million as an advance.

MR. MALONE: — What is the relocation of the Key Lake—you said development. I can't assume the development is being moved to Saskatoon. What relocation are you talking about?

MR. SMISHEK: — It is the offices — I gave you Key Lake development \$7 million and relocation to Saskatoon a separate figure of \$629,000.

MR. MALONE: — The bulk of the money is contingent on certain events happening. Is it safe for me to assume that those events are really the Bayda Commission report? Can I assume because of its contingent aspect of this particular item that if the Bayda Commission makes a favourable recommendation for Uranium development that money

will be spent. Perhaps more important, if it doesn't make a favourable representation, will the money be returned to the Heritage Fund, or kept in the Heritage Fund?

MR. SMISHEK: — Mr. Chairman, it may be but not meant necessarily because these are joint ventures. I gave you the figure of \$9,235,000. These are new drilling ventures and detail drilling. Remember it is not only trying to look for uranium but other minerals that may be there. There are joint ventures not only in respect of uranium but other drilling projects that are there.

In the event that the period of development didn't take place, it is possible that some of the money may not be spent.

MR. MALONE: — I wonder if the Minister of Mineral Resources wants to add to the answer because I saw him walk over there. Of particular interest, too, is \$7 million to be spent on the Key Lake development. That wasn't contingent according to my understanding of your quick reading of the facts. The Key Lake development as far as I am concerned is a uranium development. Is that money to be spent, notwithstanding Bayda?

MR. SMISHEK: — Mr. Chairman, of the \$7 million, for example, the plan is for the construction of access roads of \$2.4 million, the remaining may be for development contingent on what happens with Bayda.

MR. McMILLAN: — I would like to ask the minister what the purpose of investing that capital in the roads, if it is not, in fact, a further development of the uranium industry?

MR. SMISHEK: — In case of — we are opening up the North — There is other mineral exploration, hopefully other development and we believe that roads are needed for northern Saskatchewan. If the hon. member takes a look at the map we are trying to get roads through — one road on the east side and one on the west side to the North because we believe there are many resources that are there in the North both natural and mineral resources that people are interested in exploration and the total resources and roads have to be provided to the North.

MR. McMILLAN: — Is it not a fact that, number one, any resource development in exploration that is going to come to any fruition in Saskatchewan will have 50 per cent government involvement. If you are in the business of constructing roads to facilitate that, and particularly in the Key Lake area you are talking about uranium, 50 per cent your own involvement, you're making a commitment, a capital commitment of over \$2 million. You are expending before you ever hear what happens to uranium development with respect to Bayda. Could the minister tell me how that is not prejudging the Bayda hearings, could you tell me that?

MR. SMISHEK: — Certainly in case of — I would hope the hon. members are not taking the position that everything must be at a standstill in the North pending the Bayda report. Surely, it is important for us to move to the North to develop the roads, to build construction because it is not only that there are minerals but there are other resources. Remember that there are northern people including the southerners who want to go to the North and build roads. I think is a good investment now and in the future.

MR. McMILLAN: — I agree that building roads is a lovely investment if you build them

into communities where people live to give them better access outside. That is fine; that is just the way it should be. But when you spend over \$2 million to build a better road to more easily facilitate the development of uranium in Saskatchewan that is what you are spending the money on. To improve the accessibility you have to the Key Lake uranium development, the one that is presently being developed or the one you hope to develop in the future, then, you are committing the people of Saskatchewan in a financial way before the Bayda Inquiry comes down. If you can explain to me, maybe your \$2.4 million road is to go in and haul crushed rock out. I don't know. I would be interested in hearing that. Maybe it is to go in and harvest the four inch trees that grow up there to a height of 15 feet. Maybe it is to go in and haul white fish out of the lake. I don't know. I would be interested in knowing how you can justify that kind of a commitment, blatantly obvious, what the commitment is going in there for. Do you not understand you will look a little silly if, in fact, Bayda comes out against uranium development and someone in your Cabinet decides you had better go along with that because you will have made an unjustified capital there.

MR. SMISHEK: —There is a lot of activity in the North by private people, not just by the SMDC and the joint ventures. We believe that it is important to build roads and, not only are we building roads, they are also investing in roads for the development and exploration of the North. We believe it is a good long term investment regardless of how the Bayda Report may finally end up and what the decision may be.

MR. McMILLAN: — It could be a good long term investment if you don't go ahead with uranium development. How, I ask you how? What is there in Key Lake that you need a \$2.4 million road for? Name me something? It is not rocks. There are lots of rocks but that is not what you are going in for and it is not timber and it is not white fish and it is not for a better road for your STC buses. It is only being built for one reason.

I say that if you are sincere about your desire to accept the Bayda Inquiry Report; if, as you say, you haven't prejudged it, then that is an exceptionally foolish expenditure. If you have decided to go along with uranium development, irrespective of what Bayda says, then that money will undoubtedly, under some circumstances, be well spent in the future. But you can't have it both ways. You are building the road there on the premise that it will be used for uranium development and that either prejudices the Bayda Inquiry or is a risky investment at this time, one or the other.

MR. SMISHEK: — Mr. Chairman, I suppose I could have told, also, that it is the road on the way to Wollaston, because it is the same part of the road. Now, Key Lake is awfully close to there, so there are people in Wollaston that could use the road and there are other people in other communities in that area and people can and will be able to use the road. I think it is important that we provide good roads, in the North. We are taking the approach of one road in the East, one road in the West and from the Heritage Fund we are investing certain amount of money for northern development. We believe it is a good investment now for future generations and including this generation.

Item 1 agreed.

Vote 62 agreed to.

SASKATCHEWAN POWER CORPORATION - VOTE 12

Vote 12 agreed to.

OFFICE OF THE RENTALSMAN - VOTE 25

ITEM 1

MR. MALONE: — Mr. Chairman, I have just a couple of questions. I would like to know what the current vacancy rate is in Saskatoon and Regina as to apartments.

MR. MacMURCHY: — We will hold this one, Mr. Chairman, the minister is on his way.

MR. COLLVER: — Mr. Chairman, that question was answered tonight in the paper. It is in the Regina Leader Post of today. Central Mortgage and Housing announced it that it is increased. If you want me to get the paper for you I can get it for you?

MR. MALONE: — My point I am trying to make is, if the vacancy rate is such that there are now numbers of apartments available in Saskatoon and Regina -and if the member is coaching me, and for once I accept his coaching - what is the point of having a Rentalsman anymore?

When the bill was first introduced it was on the basis that once a certain vacancy rate would be reached, which you never identified, rent controls would be withdrawn. Now, my advice, from people in Saskatoon, is that it has certainly reached a tolerable level in Saskatoon. There are now apartments on the market and people have a freedom of choice, that they are not facing the situation that they are captive of greedy landlords, if there are greedy landlords, and that they could move if they reached the situation where the rent becomes too high.

The member, and I accept it, says the same situation in Regina. What is the point of continuing with rent controls, what is the point of continuing with the Rentalsman and the hierarchy that has grown up around him?

HON. N. SHILLINGTON (Minister of Government Services): — I might just add by way of explanation, that it is still the stated intention of the government to convert from rent control to rent review when a vacancy rate gets to what is believed to be a tolerable level.

I think the minister would say that at this point in time we haven't reached that. We may, and if we do we will be converting from rent control to rent review. That is still the intention of the government. We believe we haven't got there yet.

MR. MALONE: — What is the government's policy then on what is the tolerable level?

MR. MacMURCHY: — I think, Mr. Chairman, we have other things to do. We will go into Committee of the Whole, come back to Committee of Finance when the minister and his officials are here.

MR. COLLVER: — Mr. Chairman, I would like to make a suggestion. I know that both opposition parties are opposed to rent controls. I know the Leader of the Liberal Party has, on many occasions, expressed his opposition to them. At the point when the vacancy rate is up. I would support the Leader of the Liberal Party totally in that opposition. The government should get rid of the rent controls now. Certainly, the rent control is high enough now. Can we get on with the job, perhaps?

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MR. CHAIRMAN: — Is the Committee agreed to proceed? I want to know.

Item 1 agreed.

Items 2 to 4 agreed.

Total agreed to on division.

Vote 25 agreed.

Supplementaries agreed.

MOTION

CONSOLIDATED FUND

RESOLUTION 1

HON. W.E. SMISHEK (Minister of Finance): — Mr. Chairman. I have the following resolution to present.

Resolved, That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1978, the sum of twenty-nine million, seven hundred and thirty-one thousand, five hundred and ten dollars be granted out of the Consolidated Fund.

Motion agreed.

RESOLUTION 2

MR. SMISHEK: — Mr. Chairman, I now move Resolution No. 2. This is the resolution that deals with the total of the Appropriation for the coming year, less the interim supply No. 1 and less the interim supply No. 2.

Resolved, That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1979, the sum of twelve hundred and forty-one million, sixty-seven thousand, eight hundred and twenty dollars be granted out of the Consolidated Fund.

MR. SMISHEK: - I so move.

Motion agreed.

RESOLUTION 3

MR. SMISHEK: — Mr. Chairman, I now move Resolution 3. These are expenditures under The Heritage Fund.

Resolved, That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1979, the sum of three hundred and eight-five million, nine hundred and eighteen thousand dollars be granted out of the Saskatchewan Heritage Fund.

I so move.

Motion agreed.

The Committee reported progress.

COMMITTEE OF THE WHOLE

BILL NO. 70—AN ACT TO AMEND THE ELECTION ACT, 1971

Item 1

MR. E.C. MALONE (Leader of the Liberal Opposition): — We are advancing our arguments in opposition to this bill again. Let me ask of the Attorney General—I don't pretend to understand most of the provisions of this bill. Our legal advisor who is knowledgeable in elections law is in doubt on the provision. I am not sure about the party who sits to my left, whether they understand it. I suspect very much that the Attorney General doesn't understand it. I expect very much that the Chief Electoral Officer will have a great deal of difficulty applying the provisions of it. I suspect, without too much thought, ask questions for the next three and one-half hours on the bill and I think that all of us in the House are hoping that is not about to happen.

Now to avoid an unnecessary delay (because I don't think the Attorney General has the answers we want), is he prepared to, at a reasonable length of time, do a number of things?

1. Is he prepared to let us have a legal opinion or an opinion from his staff as to what these acts mean. The Attorney General was good enough to provide me with his explanatory notes, but I frankly don't think that they really go far enough because some of the sections that I have looked at and compared them to the notes, I just don't believe them. Is he prepared to let us have an opinion as to the meaning of these sections?

2. Is he prepared to give us at least two month's notice before proclaiming the act so that we can proceed then to put the people into place that have to be put into place because of the provisions of the act?

HON. R. ROMANOW (Attorney General): — Mr. Chairman, with respect to the legal opinions, I would like to reject that as a suggestion at this time and make an alternative suggestion which you might find more acceptable.

It's not that I have any particular objection, personally, to legal opinions other than there may be a time when a section falls into a dispute before a court of law. Somebody or other in a pinch says, I have here an opinion from the Department of the Attorney General. The Department of the Attorney General just doesn't do that in any matter, other than advising departments as a solicitor-client relationship. Now my counter- proposal to you would be this, that we ask the Chief Electoral Officer, Miss Bryant, in consultation with such counsel as she would ask, who have assisted her in the preparation of this bill, to meet with your legal counsel and the PC legal counsel or such other designates as you would have over the appropriate day or days to discuss the practicalities and the applicabilities and the definitional problems and understandings with a view of trying to make sure that the ground rules are as clear as possible. It would be short of a full legal opinion but I think it would be helpful and perhaps (I would not presume to assume) but helpful for the electoral officer as well in the interpretation of it, in other words, kind of running through it as if we were in an election period.

Secondly, with respect to the two month's notice, well that kind of fouls up our plans for a June 28 election.

MR. LANE (Qu'Ap): — In that case don't worry about it.

MR. ROMANOW: — But I am told that we can give you two month's notice and my proposal would be that the moment this bill passes, a week, ten days, two weeks, three weeks, that Miss Bryant undertakes to contact your office, Mr. Collver's office and convene a meeting of lawyers, I'm not talking about politicians now, lawyers, to see how the thing works.

MR. R.L. COLLVER (Leader of the Conservative Opposition): — Mr. Chairman, I wonder if I might just add to the comments of the Attorney General and to the Leader of the Liberal Party. Am I correct in assuming, therefore, that the Attorney General is committing in this Assembly, that he will not proclaim these amendments for at least 60 days from today? Am I correct in that assumption that there will be no proclamation of these amendments for 60 days and during the period of that 60 days the Chief Electoral Officer will meet with the legal advisors of the Liberal Party and the PC Party? Am I correct in this assumption? We will meet with the legal officers and work out the practicalities of implementing these changes? Is that the commitment being given by the government of Saskatchewan today?

MR. ROMANOW: — Mr. Chairman, this is tough because (a) I haven't discussed this in Cabinet and the right of the Premier to call an election at any time, as members will know, it's unfettered and that is an important principle . . .

MR. COLLVER: — (Inaudible)

MR. ROMANOW: — No, right, I agree. He can call the election. There is no problem on this but I do say, however. I remind you that notwithstanding the opposition that you people have about the ceiling limits and things of that nature I do remind you that under the old act, if we ever did go an election under the old act, we would be in far worse shape both in terms of unclear statements and unclear phrases, limits, dollar limits, as compared to this new act which allows substantially higher limits for candidates and parties (and I think that is an advantage from all sides) but to have to answer your question—let me answer your question—the answer is, yes, nothing for 60 days from today.

MR. COLLVER: — So no proclamation 60 days from today, but definitely in that period of time the Chief Electoral Officer will convene a meeting between our legal advisors and theirs and that's a commitment to this House?

MR. ROMANOW: - Yes.

MR. COLLVER: — I have nothing further to say.

MR. MALONE: — Mr. Chairman, I just have a couple of other comments to make. I assume we still have your undertaking to increase the spending limits from \$50 000 (and giving this other crumb) to \$75,000?

One other point I would just like to ask you on, is this reference to the act, to the parties having to retain chief agents and auditors and I am unclear whether though the payment to those people is considered an expense under the act, or whether it is separate and apart?

MR. ROMANOW: — No, it is not an expense, not an election expense.

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Items 1 to 25 agreed.

Section 26

MR. ROMANOW: — Now this is the one that I committed and I think you boys will be very happy with this. I am tempted to make a great speech about these unlimited campaign funds.

Section 26 of the printed bill, I move, seconded by the hon. Member for Kelsey-Tisdale, be amended as follows:

Amend Section 203AA of the act as being enacted by Section 26 of the printed bill by striking out \$50,000 in the twelfth line of subsection (1) and substituting \$75,000.

MR. COLLVER: — Mr. Chairman, I understand that that's \$75,000 per year. But suppose a party decides not to spend that money in any one year, is it accumulated for the next election?

MR. ROMANOW: — No, it's not cumulative.

MR. COLLVER: — So what you are saying is, you are demanding that a party spend the \$75,000 if it has it. In other words the rich party would continue the \$75,000 expenditure every year and the poor party wouldn't be able to do that. Is that right?

MR. ROMANOW: — Well I think it will be definitely very, very difficult for us and as I say probably signing the death warrant of our party here by agreeing to this provision myself, but I say that you have to—\$75,000 a year.

I think, being serious for just a moment, that the reality of the situation is that if there is any expenditure in a year, other than the election period, it will be in the immediate period before that election period and parties would be working towards that kind of an expenditure presumably before election time. I just don't see an accumulation of it being a problem.

Section 26 as amended agreed.

Section 27 agreed.

Section 28

MR. COLLVER: — Mr. Chairman, what I want to know is why would this section change the name of the candidate to the candidate's name? I don't quite understand the reason. What is the difference between 'the name of the candidate' and 'the candidate's name'?

MR. ROMANOW: — To make it consistent with the instructions on the ballot. It was not so worded in the original bill.

Section 28 as amended agreed.

Section 29 agreed

Motion agreed to and bill read a third time.

BILL NO. 30 - AN ACT TO AMEND THE LEGISLATIVE ASSEMBLY ACT.

ITEM 1

MR. BLAKENEY: — Mr. Chairman, I wonder if the copies of the proposed house amendments - we are on the Legislative Assembly Act, Bill 30. During the second reading debate we noted a number of comments and if I may take a moment. The proposed house amendments deal with some of the comments made by hon. members.

There is a small house amendment to section 2 which is purely technical and we think makes no change and was recommended by the lawyers.

There is a house amendment to section 3 which makes clear that whereas the Speaker would get \$35 a day when engaged in public business other than when the session is on if he serves on a Legislative Committee he would get what any other member of the Legislative committee would get, the \$60.

Then there is a little change in the one dealing with telephone tolls. I am now dealing with section 8 of the bill.

Down at the bottom of page 2 of the bill, talking about changing 22 to 26, we have achieved this by putting, 'amount obtained to the nearest cent when the first class postal rate is multiplied by 1.88.' That builds an automatic escalator. We are advised it is the same as 26 because 26 is 1.88 per cent of 14, I'm told, and that will mean now that the postage rate has gone to 14 cents, 1.88 will produce 26 cents and if the postage rate goes to 16 cents, it will go up automatically and so on. We didn't change the figure.

I offer these by way of explanation so that when we are going through, we can perhaps deal with them expeditiously. Thank you.

Item 1 agreed.

Section 2 as amended agreed.

Section 3 as amended agreed.

Section 4:24 as amended agreed.

Section 5:24A as amended agreed

Section 6:54A as amended agreed.

Section 7

MR. BLAKENEY: — Mr. Chairman, I would like to move a further amendment and that is the one which appears on the material distributed dealing with:

Each member of the Assembly shall be entitled to receive reimbursement for telephone tolls incurred by him to a maximum of . . . (I'm going to the top of page 2 of the amendments) . . . \$800 and \$1,000 for telephone calls made

in connection with the duties of the member or shall be issued a telephone credit card for use.

I think you have the amendment before you as the opposition parties do and I so move.

MR. WIEBE: — Mr. Speaker, just a few comments on this particular section. Some of the comments which I made in the particular debate on this particular bill made the suggestion that telephone allowances should be increased from the \$800 level. If it's the feeling of members present to accept that suggestion I would be prepared to move it. However, if it is not I am quite willing as well to just leave it stand.

MR. CHAIRMAN: — Order! In regard to this amendment that the Premier has just given us, I have this to state. This proposed amendment of section 7 of the printed bill seeks to amend both subsection 4 of section 56 of the act which deals with the telephone allowances and subsection 8 of section 56 of the act which deals with postage. Now section 7 of the printed bill, however, seeks only to amend subsection 8 regarding postage. It is my duty, I feel, to point out to members that an amendment which is beyond the scope of the bill before us is out of order. I refer all members to a ruling of the Chair dated back to December 2, 1976 which stated:

That after examining the proposed amendment to add a new section 5 to Bill No. 19, it is my duty to point out to members that this amendment does not fall within the requirement that every amendment proposed in Committee of the Whole must be relevant to the principle of the bill as agreed upon when it was given second reading.

I refer members to Beauchesne Parliamentary Rules and Forms, Fourth Edition, page 284 which states:

A new clause will not be entertained if it is beyond the scope of the bill.

And further on page 285

Amendments are out of order if they are irrelevant to the bill or beyond its scope.

I, therefore, rule that the first part of this amendment dealing with subsection 4 on telephone allowances would add a new provision to the printed bill and is beyond the scope of the bill and is, accordingly, out of order.

MR. BLAKENEY: — Thank you. Mr. Chairman, your ruling did not come as a surprise. I am going to move a new amendment to the Legislative Assembly Act as No. 2 to put in what was not accepted here and members can say, not grant leave, and it won't seriously upset us. I'm not in any way suggesting that we would be seriously upset if members very properly decided they didn't want to proceed that way because it is rather irregular. The fact that this was out of order just came to our attention recently and I don't know whether we will want to enact that or not. This is what I intend to do and we can deal with it at that time if you like. If members feel at all strongly on it, we'll simply not proceed.

But back to the bill we're on. That struck out is out of order then. That's all of the sections

Section 7 as amended agreed.

Section 8 as amended agreed.

Section 9 agreed.

Motion agreed to and bill read a third time.

The Committee reported progress.

SECOND READINGS

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 78 -**An Act to amend The Members of the Legislative Assembly Superannuation Act.**

MR. SPEAKER: — This particular bill has not been on the order paper the requisite amount of time. Therefore, leave will be required to proceed.

MR. ROMANOW: — On a point of order, Mr. Speaker, it's on the blues under second readings and I asked for leave of it yesterday. I got leave yesterday . . .

AN HON. MEMBER: — No, . . .

MR. ROMANOW: — Well, that's the point of order that I raise. I say that it is on the blues and listed on the blues and it does not require leave.

MR. SPEAKER: — As I understand it, this Bill, No. 78, under Second Readings, was introduced yesterday by leave and given first reading and was distributed this morning. Now I refer the members to Rule No. 51: 'No bill shall be read a second time unless it has been printed and distributed to the members at least one day previous and has been subsequently marked 'printed' on the orders of the day.' I think it is clear that the bill has not been distributed at least one day previous.

MR. ROMANOW: — On the point, I notice on the blues the bill is marked 'printed'. I do not know when it was distributed. How do I know that? I assume that that is based on Mr. Speaker making the judgment but I am saying (arguing respectfully) that it is printed because it is marked printed and as a member I am entitled to come in and assume that it has otherwise been marked printed.

MR. SPEAKER: — For the member to get an accurate indication of when it was distributed.. The Attorney is quite right that the bill was marked printed, however more is required than having the printed mark on the bill. The members will recall that this particular bill was dealt with as almost the last item of business yesterday and thereafter the bill had to be numbered and distributed. It was distributed at 9:00 o'clock a.m. this morning. Even if it had been distributed last night after being given leave and introduced a first time, there would still not have been sufficient time according to the rules.

MR. ROMANOW: — Mr. Speaker, I just have two very brief points to make. Perhaps, speaking to the rules subsequently, I do think that that is a deficiency in as much as I view the blues as the agenda and the whites as being the minutes of the proceedings of the House. I was not in the Legislature yesterday at the time of distribution but noticing the blues I note that it is printed. It seems to me that what should be the case is it being

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printed and shown as not printed, then I would know that I could not move it because it does not comply to the rules. Otherwise we are relying here on them, not questioning anybody's word but we are here relying on the word of yourself or the staff who works for you.

The second point I would make is — I am not disputing your ruling. You have made the ruling and that is fair pool but I would ask that you ask that leave be extended to the members again on this basis.

MR. SPEAKER: — Are there any other comments on the point of order so that I do not have people coming in behind me again with points of order? Could the members give me a moment then?

The Attorney General may wish to comment on whether the rules in effect are adequate to handle the situation, however that is not the point that we are dealing with at this time.

I will refer the members to a precedent that occurred on April 14, 1971, page 192 in the journals.

On the orders of the day being called for second reading of Bill No. 69, An Act to amend The Labour Standards Act, 1969, a point of order was raised that the said bill had not been before the members of the Assembly in printed form for a minimum of 24 hours. Mr. Speaker quoted Rule 51:

No bill shall be read a second time unless it has been printed and distributed to the members at least one day previous and has been subsequently marked 'printed' on the orders of the day.

Mr. Speaker noted that the said bill had been correctly marked printed on the orders of the day but agreed that the bill had not been before the Assembly for the required 24 hours. The Assembly accordingly deferred consideration of second reading of the said bill.

Leave is denied.

APPROPRIATION BILL

MR. SMISHEK: — Mr. Speaker, I move:

That the bill, An Act for the Granting to Her Majesty Certain Sums of Money for the Public Service for the Fiscal Year Ending Respectively the 31 March, 1978 and the 31 March, 1979, be now introduced and read the first time.

Motion carried.

MR. SMISHEK: — Mr. Speaker, in a few moments I will present the motion for second and third readings of the appropriation bill but first I have a few comments.

When I introduced the Budget on March 7, I called it an action budget, action to deal with the two main problems threatening the people of Saskatchewan on employment and the cost of living; action to create jobs by building needed public assets for tomorrow; action to put more cash into the hands of Saskatchewan people to help them cope with the rising cost of living. We lowered the income tax. We increased the

property improvement grants. We introduced revenue sharing to hold down mill rates. We reduced automobile insurance rates. We increased benefits for senior citizens. That package of direct benefits averaged \$85 per capita, Mr. Speaker.

With the later addition of the temporary sales tax reduction, the come-by defect almost \$145 for each man, woman and child in Saskatchewan. The reaction to that action, Mr. Speaker, was almost universally favourable from economists, from editorial writers and from the people of Saskatchewan, from almost everyone except members opposite. From them there were two kinds of results, Mr. Speaker. First a large measure of an action in dealing with the spending Estimates and second, diversions of every kind into every byway, into every nook and cranny to avoid dealing with the substance of the Budget and the Estimates.

Today, yesterday, two weeks ago, three weeks ago and a month ago, we were faced with such diversionary tactics. Mr. Speaker I recognize the tactics but I wonder if the members opposite, particularly those occupying the Conservative benches, realize where these political tactics have led them. In their eagerness to create diversionary headlines and smear the government, the Conservatives have missed the mark and ended up casting stones at a great many innocent institutions and people of Saskatchewan.

Let me give you a partial list: volunteers who served their communities as members of local housing authorities, farmers who support CCIL, farmers who belong to the National Farmers' Union, the entire co-operative movement, civil servants, workers of the Department of Highways, health workers and members of the community health clinics, dental nurses, teachers and many many more, Mr. Speaker. That is a lot of people.

When the member for Thunder Creek assisted by the member for Regina Wascana aimed at the Saskatchewan Housing Corporation, missed and instead hit the Regina Housing Authority, not with facts, Mr. Speaker, but with doubts, suspicions and innuendoes.

When the member for Nipawin appeared on television a month ago, he implied that the Department of Highway Maintenance crews wasted time on the job and were much less productive than the road crews employed by local rural municipalities. In fact he made a charge that highway crews parked their maintenance equipment and maintenance machines on the sides of the roads and went out picking daisies in the meadows. That was his charge. He tried to support that allegation with misinformation, Mr. Speaker. He says that it costs RMs \$200 per mile to maintain grid roads while it costs the Department of Highways \$1,000 to maintain the same roads. Facts, Mr. Speaker, are quite different. First, the actual RM costs are not \$200 (and I hope he listens to these figures) but they are \$1,215 by RMs, not \$200.

The Conservative Leader left out the government maintenance grants, the cost of regravelling, and the capital depreciation.

Second, the gravelled roads which the Department of Highways maintains are not the same kind of roads at all, Mr. Speaker. They carry considerably more traffic than the average grid road, yet the costs are very similar, \$1,215 for RM maintenance, \$1,270 for the Department of Highways.

He will win no friends among the highway crews, Mr. Speaker, with these biased and

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inaccurate statements. Nor are Conservatives likely to win support from the co-operative movement in this province when they voted against (as they did) government financial backing for the Canadian Co-operative Implements Limited. Co-operators and farmer members will have some difficulty with the proposition that the CCIL is just another implement company like John Deere or Massey Harris.

These wide-ranging attacks on the institutions and people who have built this province will be seen for what they are, an intensive attempt to divert attention from the real issues which face us and from this government's proposals to deal with them.

Mr. Speaker, let me turn for a moment to another issue. If our consideration of the Estimates demonstrates anything this year, it is this. Opposition members share one common peculiar ability and that is to speak with ease out of both sides of their mouths. On the one hand they decry government spending; they abhor the small deficit; they would slash the number of public servants. On the other hand they criticize one department after the other for not spending more money for providing more public service and more public services.

Let me give you a sampling, Mr. Speaker. The member for Morse wants to reinstate the Farm Cost Reduction Package; the cost is over \$5 million. He would also have us provide more land use hearings. These would cost money too.

The member for Assiniboia-Gravelbourg thinks that the Agricultural Capital Budget at 3.2 per cent of the total Budget expenditure is too low. Well, that may be, but if we were to increase it by one-half of 1 per cent of our total Budget, the added cost would be nearly \$7 million and it would require another 60 new positions.

Mr. Speaker, the member for Qu'Appelle once more emphasizes drainage, flood control, more for senior citizens including more staff for the provincial gerontologists, a welfare ombudsman, more staff in prisons; costs in the millions, Mr. Speaker.

There were calls for more and more money to deal with alcohol abuse, more and better probation officers and a few special education coordinators.

Mr. Speaker, speaking of the Aware Program in alcohol abuse, I have a letter which I would like to read to this Assembly. It was written by the Leader of the Conservative Party. He says:

Thank you for your letter of May 2, 1978, concerning liquor and tobacco advertising on TV cable. By now I hope you have heard or read my comments on this subject. I am definitely opposed to this form of advertising and have stated so publicly. In fact I am opposed to the Aware Program as I feel it keeps the subject of drinking before the public, particularly young people. I would much rather see the funds spent on advertising go towards research to prevent addiction to both smoking and alcohol. I sincerely hope that you will support us to this end.

Now that was the Leader of the Conservative Party saying that. Mr. Speaker, let us take a look at what a member of his caucus is saying.

In this House, Mr. Lane (the member for Saskatoon-Sutherland), when the Estimates for the Department of Health were being considered, what did he say about the Aware Program? He said, Mr. Chairman, I do not think that the minister has ever heard anyone

from this caucus (meaning the Conservative caucus) and in particular myself criticize in any way the Aware Program.

Now, Mr. Speaker, here is the Leader of the Conservative Party saying, scrap the Aware Program and the member for Saskatoon-Sutherland saying, it is a great program; we have never criticized it. This is the lack of consistency, the kind of contradiction that we have been subjected to day after day for 92 days in this House.

Mr. Speaker, the prize for the most flexible mouth with the least co-ordination between the two sides goes to the Conservative financial critic, the member for Thunder Creek. Between calling for irrigation projects, massive increases in the staff for the Provincial Auditor, increasing highway capital projects, he would have us create nearly 300 new positions and spend, I would estimate, another \$70 million.

In total, these and other like proposals would increase our projected small deficit by five or six times and swell the ranks of the public service by the hundreds, Mr. Speaker, if their proposals were accepted.

Mr. Speaker, worthy though that these proposals may be, collectively they smack of irresponsibility and a disregard for the urgency of dealing with our number one and number two problems, unemployment and the cost of living. The Budget and these Estimates are an effective plan for dealing with these real problems of unemployment and the rising cost of living.

Mr. Speaker, it gives me a great deal of pleasure by leave of the Assembly and under Rule 48(2), I move that the bill be now read a second and third time.

MR. COLLVER: — Mr. Speaker. I was most interested and I won't belabour all of the issues that have been made in this very, very lengthy session with reference to the Budget and the remarks just made by the Minister of Finance. I would, however, like to make one comment on his remarks

As the minister will know, and I am sure he is going to take notes because he gets to wrap up this debate, as the minister will know, during the course of this particular session we asked the minister to consider a research program with reference to tobacco advertising and with reference to the increasing consumption of tobacco. It has also been noted in the province of Saskatchewan in studies since the Aware Program began, Mr. Speaker, it has also been noted that the consumption of alcohol has increased among young people in the province of Saskatchewan. Now, Mr. Speaker, that is a very disastrous kind of situation that has occurred. That has only been recent that those kinds of statistics are starting to come forward. I think all of us in this Assembly have got to be concerned if we are attempting to do the right thing and that is decrease the consumption of alcohol, especially among young people. But at the same time we are advertising this program and we find that consumption is increasing. I think we should be very, very concerned, Mr. Speaker, that we may be telling the people, the very people that we are trying to get to, to drink more by showing them the damages in excesses of drink. In commenting on that matter I am very happy to say, yes, I wrote that letter and I have made those statements publicly. Mr. Speaker, I am sure that in due course, unless a research program is designed to develop a real and meaningful study as to why this consumption of alcohol and tobacco is increasing in the province of Saskatchewan, we won't know for certain whether or not these vast sums of money being spent on advertising is doing the job or, in fact, doing the reverse job of what it

was intended to do. No one is supporting by that letter, Mr. Minister, and I am sure you didn't suggest it, no one is supporting that we shouldn't be trying to decrease the consumption of alcohol. Any meaningful person would say that if the purpose is not succeeding, Mr. Minister, the purpose is succeeding in doing exactly the reverse and that is causing consumption to go up, then we must be very concerned about the money we are spending on alcohol advertising.

Mr. Speaker, I would like to summarize this session in one word, and I think all of us feel that today and that is, yuk. This has been a yuk session. One positive item came out of this whole entire session and that was that the government of Saskatchewan did increase and extend level IV care in the province for our senior citizens and that was a positive step forward. We had hoped that the government would consider increasing the supplementary benefits to the senior citizens who are a very disadvantaged group in our current society. We had hoped that they would increase that to the level of minimum wage for a couple and a percentage of minimum wage for a single person because, Mr. Speaker, the fact is that we say that minimum wage is the minimum amount upon which people can live and survive. That is what we say in terms of working people. Why should senior citizens be put in any lower category than that? Why should they have to be the people required to live on less than the minimum and the Minister of Finance knows very well that that is true.

Now, Mr. Speaker, if the Attorney General wants to wind it up tonight, he is concerned about that particular . . .

MR. ROMANOW: — . . . a yuk session . . .

MR. COLLVER: — Mr. Speaker, let's talk about the yuk session of the Saskatchewan Legislature. Longer than most, most of us in this Legislative Chamber have sat here almost constantly since last November. The fact is . . . most of us. Well, look the Attorney General, I will admit, Mr. Speaker, has sat longer than most. But the press gallery have sat even longer than he has. He will understand that they have had the problem even more than he has. It has been a long session. What did it accomplish?

We had continued inflation. What do we have in response by this government? Increasing government spending for administrators, for bureaucrats, for programs. All across the province of Saskatchewan we have got new and innovative government' cars, new and innovative government administrative programs, administrators, bookkeepers, secretarial help, all over the province. But have we got any solution to the problems? The answer is, no. What contributes to inflation, Mr. Speaker . . . a government that expends millions and millions and millions of dollars on non-productive items, a government that spends . . . Name one! Name one! Ninety per cent of the administrators you have in the province of Saskatchewan, that is number one. No. the Attorney General has in Saskatchewan, talking about the Attorney General's administrators . . . the fact is, Mr. Speaker, that the government of Saskatchewan has not come to grips with inflation and hasn't realized what causes it. What causes it is increasing government extension over everybody's lives, moving into all areas, moving and taking over areas for the local governments and spending three and four times as much as local governments would on providing the same service to the people.

What have we got? We have got higher unemployment, Mr. Speaker, higher unemployment. What has the government done to encourage the private sector to develop in Saskatchewan? Zip. This is a yuk session that produced zip results in terms of the private sector in the province. They have done nothing, Mr. Speaker, to

encourage new jobs and industry in the province. As a matter of fact, we have seen ourselves loose jobs and opportunities in Saskatchewan over last few months as a direct result of the labour relations of Saskatchewan . . .

MR. ROMANOW: — No, sir.

MR. COLLVER: — Yes, sir, as a direct result of the lack of initiative on the part of the government in encouraging new capital investment here.

Mr. Speaker, we have seen continued attacks on individuals in Saskatchewan who disagree with the government, continued attacks. We see a man who warns the government of impending disaster, Mr. Walter Chester, but because he disagreed with the government he gets stepped on, month after month after month. That is only one example of many in the province of Saskatchewan who that has happened to.

Mr. Speaker, what we have here is higher crime rates. Does the government of Saskatchewan stand up for their law enforcement officers? The answer is, no. Do they show the people of Saskatchewan that they care about law enforcement officials? The answer is, no. Continued attacks on those law enforcement officials and what do they do. Mr. Speaker? The Minister responsible for provincial Jails, he goes through a nice exercise of justifying the use of canoes, the use of golf clubs, the use of all of these myriad of services that the vast majority of Saskatchewan citizens can't afford to do but that is who he supports, the prisoners in the prisons and the law enforcement officials who are out there trying to protect the rest of us are not shown that the government of Saskatchewan cares about them. As a matter of fact, one law enforcement officer in the conduct of his duty is charged and attacked by the government and the government refuses to recognize that it's telling every other law enforcement officer in Saskatchewan that that kind of an attack on a law enforcement official is unacceptable to them.

Mr. Speaker, we were very disappointed, very disappointed at the attack of the government of Saskatchewan on the Cattlemen's Association and the cattlemen in the province of Saskatchewan that we witnessed in the last week or ten days. Here is an industry that in the last three or four years has been in a very depressed state. Here are individuals that are up to their eyeballs in debt, who have had terrible prices and terrible conditions for their produce . . . yes, it does startle one. Mr. Speaker, the attack on the cattle industry in Saskatchewan by this government at this particular time when they have gone through such years of trouble and difficulty is most inappropriately timed.

Mr. Speaker, last week of course we had a chance to rid ourselves of that foolish legislation. That chance, that opportunity was discarded by the members to my right. They opposed those amendments to the Cattle Checkoff Bill. We are not suggesting that they are in favour of them. But we had an opportunity last week to rid ourselves of that bill in total. What do we have now? We have the bill enacted as law against our objections and, of course, against the objections of the members to my right. We could have been rid of the bill in total, except for the politicking of the members to my right.

Mr. Speaker, this particular session has witnessed the enactment of The Education Act. The Education Act, Mr. Speaker, which centralizes power and authority in the hands of the Minister of Education Mr. Speaker, the Education Act which centralizes more authority and more and more power in the hands of the Minister of Education and does not come to grips at all or improve the professional status of teachers in the province, which teachers have been seeking for many, many years, nevertheless, was a

reasonable compromise after all of the upheaval as between groups after pitting one group against another and driving one group against another for a period of months. Finally the government of Saskatchewan capitulated, realized that a compromise was the only solution and came up with the best possible compromise at that time. We could have a better education bill. There is no question about that. It could recognize the improved status of teachers. It could recognize that school boards must be given the authority by law, not the authority from the minister, but the authority by law to do the job for which they are elected. That kind of education act will be introduced after the next provincial general election.

Mr. Speaker, we have seen increasing problems and difficulties in the field of health care. We have seen medical personnel in the last number of months report on the problems and real problems and health care problems that were experienced at the Blair Memorial Clinic in Regina and, in fact, express serious concern about deteriorating conditions in the treatment of cancer patients in the entire province of Saskatchewan. We have seen the government of Saskatchewan take no action as it relates to the Cancer Commission itself, which is the root of the problem. The root of the problem in the whole province, in terms of the provision of proper and appropriate cancer care is in the appointees of the government of Saskatchewan. They have not handled the job properly and it required some dramatic action to see that the improvements were taken. Those improvements are not yet in order.

Mr. Speaker, we also saw during this yuk session, the government of Saskatchewan which in order to prove, if you will recall at the previous session, in order to prove that the hospitals were not filthy, just merely unclean, they called in the chairman of the hospital commission to appear as a witness and to be interviewed by this Assembly. Yet, when we present a problem in exactly the same way, in exactly the same motion, that they presented to determine whether the hospitals are merely unclean rather than filthy, about deteriorating care for seriously ill people in Saskatchewan, the government refused to have the people be able to talk to the head of the Cancer Commission. Refused! In the one session they bring in the chairman of the Board of the Regina General Hospital to prove one way or another whether the hospitals are unclean or filthy. In the next session they refused to bring in Dr. Amies to study whether or not we have deteriorating conditions for cancer patients in Saskatchewan . . . a yuk session.

Mr. Speaker, we also saw in this session of the Legislature, the continuation of the secrecy of government as it relates to Crown corporations. We have seen as it was reported by both the Liberals and Progressive Conservatives, a continued reluctance on the part of officials during Crown Corporations Committee to answer questions. We have seen a reluctance on the part of officials to allow any kind of questioning in the House on Crown corporations because they say you can go to Crown Corporations Committee. When we get to Crown Corporations Committee they say, you have to go on the year under review and the year under review may be a year or a year and one-half old. That is unacceptable if one is going to run an open government.

Mr. Speaker, all in all, this session could be summed up as a great deal of wind on all parts of the House, including this part and no action. But, Mr. Speaker, the responsibility for no action rests plainly on the government benches and in the Treasury Benches of the government of Saskatchewan. The people of Saskatchewan will decide whether or not the NDP will be allowed to continue to nationalize land, nationalize industry, nationalize human beings and nationalize local governments or whether or not a new breath of life will be brought on the Saskatchewan scene . . .

right, whether a new breath of life will be brought into the Saskatchewan political scene which will enable local governments and individuals to make decisions at the local basis, on the local level with individual action . . .

AN HON. MEMBER: — Freedom on the way.

MR. COLLVER: — . . . and freedom on the way as our member for Thunder Creek has said, Mr. Speaker, I have no intention of supporting the minister's motion.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Mr. Speaker, the session (inaudible) may well be well taken. But what it really has been is an ugly session, a feeling of hate, ugliness, meanness, if you will, among all three parties. I want to come back to that in a moment, Mr. Speaker.

Let me just deal with, if I may, the opening remarks of the Minister of Finance in moving second and third reading of this bill. He really must have had his tongue in cheek or something, when he started off by saying this year this government has come to grips in Saskatchewan with unemployment and cost of living. I think it is fair to say that unemployment in Saskatchewan has never been at a higher level, 30,000 people in Saskatchewan unemployed in March of this year. The Premier indicates that 27,000 people were unemployed, I believe, in May of this year. The significant part, Mr. Speaker, is not so much how many were unemployed but the gradually increasing rate of unemployment in the province of Saskatchewan dating back over the past four or five years. When you compare May of 1978 to May of 1977, you will see an increasing rate. You compare May of 1977 to May 1976, again, it is higher in 1977. It is all such a shame because we have got so much in this province available to us to provide employment, not just in the agricultural sector but in the business sector and in the resource sector. The reason that employment is not there can be laid directly at the feet of the New Democratic Party. What they have done over the past four to five years is, simply ignored the opportunities that have been presented to them as a government, crushing the oil industry, discouraging the potash industry, driving people out of Saskatchewan that want to come here and invest money in this province. We have given these speeches before, Mr. Speaker, and I am not going to dwell on it again today. But really, the proof of what I say, the proof of what I say comes in the Premier's trite slogan that he runs down to Ottawa and mouths about 'jobs today, energy tomorrow.' That's the proof of the error of the NDP policy, because indeed we would have had both those things, if that government hadn't been so narrow and greedy and stupid in their approach to the resource industries in this province.

The cost of living, I am not sure whether the Minister of Finance has time these days to read the newspaper. But if he had, he would have read in the Leader Post just a day or so ago, that once again, the city of Regina has enjoyed the dubious distinction of having the highest rate of increase in the cost of living in Canada, six-tenths of one per cent, the highest increase once again in the city of Regina. The minister will probably get up and say, well, those are factors we can't control as a provincial government. These are things that are in the international field or the national field. But once again, we remind the minister of the indirect hidden taxation of the NDP like throwing up power rates, putting up Sask Tel rates, enjoying profits of millions of and millions of dollars on the backs of the people of Saskatchewan who are trying to struggle with their battle against inflation.

The only meaningful approach, in my view, in this session to come to grips with the cost

of living, is the Liberal Party's introduction of the bill for senior citizens, a bill that would have allowed a few senior citizens, between 50,000 and 60,000, at least the certainty that those utility rates were not going to increase, at least the certainty that since 1976, they would be paying less money than other taxpayers, less money than other people in the province of Saskatchewan, who would be able to enjoy the benefit of those lesser rates. That's within your control; that's within the control of the government of Saskatchewan to introduce. And what did we see? We saw the Premier and the Attorney General rise in this House and advance . . . (inaudible interjection) the Premier followed you Mr. Attorney General and the Premier followed you and tried desperately to keep that bill from coming before the Legislature. I think we can make some assumptions on the actions of these two men, advocating sort of lawyerish arguments, to keep this Assembly from dealing with that particular bill. We now know that Mr. Speaker has allowed that bill to proceed if we were here to have it proceed. It is unfortunate that we couldn't have had a vote on that bill because it would have been most interesting to see how members opposite would have reacted when that vote came.

I talked earlier about an ugly session, a hate filled session and I say that there are a couple of reasons for that hate and that ugliness and those reasons are the members who sit to my left and the members who sit opposite. What we have seen as the most significant thing in this session, Mr. Speaker, is the physical disintegration of the New Democratic Party as a government. I say to you, Mr. Speaker, when you consider what they have done over the past few months, when you consider the members who sit opposite, you will find that they stand for two things, hating the Tories, hating oil companies, hating the Liberals, hating potash companies, hating just about every sector of the economy of the province of Saskatchewan.

The second thing they tried to do is to build up the Premier of Saskatchewan, saying, this man is above all of this. This man has nothing to do with the problems facing our senior citizens, this man has nothing to do with the mess in the resource sector. This is what this government has tried to do this year and I say to you, Mr. Speaker, and to members opposite, it's not going to work. Your government has lost all energy, vitality and ideas that it has had over the past few years. You look at your actions over the past few months; you go back and listen to the speeches that you gave. Everyone of those speeches dealt with hating Ottawa, confronting Ottawa over cable TV, over resource taxation or hating the oil industry or the potash industry or people in the uranium industry. Just reflect on the attitudes that your government has reflected in the past few months. I don't believe you can come up with really a positive statement of policy, anything new from this government, not just this year but the past two or three years. I say to you, Mr. Speaker, and the members opposite, that if you would go out in the country today you will find that not 39 per cent of the people of Saskatchewan support the NDP. I suggest to you that it is more like 19 per cent or 20 per cent. This government won in 1975 with 39 per cent of the vote; you have done nothing since that particular time to increase that and indeed, that vote has gone down and down and down.

Now the member for Moose Jaw South says, what about the Liberal Party? I am glad he asked that question as an aside, because as long as I have been involved in politics which dates back to, I suppose, university days, people have been writing off the Liberal Party. You know, the late 1950s, the early 1960s, people were going around carrying coffins and saying, there is the Federal Liberal Party, you are dead; you are never going to be resurrected again. We seem to have done fairly well since that period of time. People used to go around provincially and say, Ross Thatcher will never win the government for the Liberal Party. It seems he did pretty well.

Now we go to 1971 and people say. Oh, the party is dead, the party will never win another election. We didn't win in 1975 and we are still around and believe me. Minister of Labour, in 1978 or 1979 and 1980 we are going to be around still. The only difference, Minister of Labour, is that unlikely we will be sitting here; we will be sitting over there. And they laugh, he laughs and so other people laugh. I don't see the Attorney General laughing; I don't see the Minister of Finance laughing. I don't see the member for Biggar even being in here. The members over there realize just what deep trouble they are in, an old, old Cabinet with the exception of a few new people and they are there with old, old ideas.

MR. SPEAKER: — Perhaps I have been at fault in not keeping the member strictly to order on the appropriations debate. I have allowed a certain amount of latitude with the member for Nipawin and I rise to interrupt the member for Lakeview because what he is discussing now is strictly not relevant to the appropriations debate.

MR. MALONE: — Mr. Speaker, I realize that but . . .

MR. SPEAKER: — Order! I want to say that there was a ruling in 1971, April 16, that covers this situation and I cite it in part.

Mr. Speaker referred all hon. members to page 18 of the report of the Special Committee on Standing Orders and Procedures of the Legislative Assembly, concerning the Appropriations debate and quoted the reasons given by the Committee in support of its recommendations.

Your Committee believes that by debating second reading of the Appropriation Bill after the Estimates have been discussed in the Committee of Finance a better informed and more meaningful debate will result. Mr. Speaker ruled, that in according with the procedure implied in the reason given by the Committee for the recommendations, the debate on the combined motion for second and third reading of the Appropriations Bill should pertain strictly to such estimates as were discussed and passed in the Committee of Finance and to the financial proposals of the government for the year under review, as outlined in said bill.

MR. SPEAKER: — Now I am prepared to allow the member to comment on any items raised by the member for Nipawin or the Minister of Finance but I think the member has been dealing for sometime, looking at it fairly, dealing for some time with the fortunes of the Liberal Party which I don't think are pertinent.

MR. MALONE: — I am not going to get into a fight with you on the last day of the Assembly. I would respectfully suggest to you that it's been my experience in the few years I have been in here, that this is a wide ranging debate. I can recall in the years past, the Attorney General and the Premier getting up and talking about everything under the sun . . .

MR. SPEAKER: — The member is arguing my ruling and I cited . . . Order, order! . . . and I cited the precedent. I have done exactly what is supposed to be done. I have cited the precedent for the member. I said I am sorry I had to interrupt him. Now, the member can proceed but he shouldn't deal with the subject he was dealing with.

MR. MALONE: — Mr. Speaker. What we are talking about in the Appropriations Bill

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is the spending of the government of Saskatchewan. Behind the spending of the government of Saskatchewan is a political philosophy. The philosophy of this government is Socialist. They spend the money of the taxpayers of this province because their philosophy directs them to spend it in a certain way. I suggest to you, Mr. Speaker, it's all right for me to comment on how their philosophy is being received, just as their spending is being received because they go part and parcel together.

Now, I am going to reach, very shortly, a conclusion of my remarks and let me say that with the spending of the government and the philosophy behind that spending. I have come to the conclusion that what this government is doing in the past few years and indeed, the past few months, is campaigning on a philosophy of hating people, of spending their money on the basis of getting people, of saying that we are going to attack oil industries, we are going to attack potash and so on. They are going to attack the members who sit to our left; they are going to attack the Liberals on the basis somehow, to see their old trite phrase, 'from the hip pockets of the multinational corporations.'

Let me say, if you look at the Appropriations Bill and the money that is being spent from it, I think that even the most independent observer would say that this party that sits across from me, this government that sits across from me, has lost its vitality and its energies. We can go back to pre- 1971 and follow that particular election. The New Democratic Party had a definite platform and philosophy which they advocated to the people of Saskatchewan. I did not agree with it. It was a philosophy that stood for positive things, in their view. It was a philosophy that said if they were going to be elected they would do in a positive way, certain things.

I believe that this Appropriations Bill and the Estimates we have seen to date, reflect back to 1971 and indeed to 1972 and maybe to 1975 but since then there is nothing new. Since then there have been no exciting new ideas coming out of that government, except the idea that says, we must stay in power for the sake of retaining power and how do we do that, they say to themselves. Well, what they used to do is they used to come up with new ideas, like Medicare, like social policies. We don't see that anymore from the NDP. What we see is attacks on all political parties; we see attacks on their so-called enemies in the spectre of things of this province and we see secondly, the canonization of Allan Blakeney, the Premier of Saskatchewan, in a desperate attempt to get him out of the sorry mess that they put this province into.

I have said earlier that the Liberal Party has a great ability to come back and one of the reasons for us always coming back, Mr. Speaker, is that we are a party that always has positive things; we don't campaign on the basis of simply hating the Tories, or simply hating the NDP. Indeed, we criticize where criticism is due and indeed, in the case of these people, you can spend all your time criticizing. But basically what we do, is we come up with ideas and proposals and suggestions which we think, if we were government, would/be dealt with in an Appropriations Bill in a positive way.

The member says, where are they? I challenge him to look at the order paper and see the motions that were put on that order paper by the Liberal caucus. I challenge him to look at the bills that were put on that order paper by the Liberal caucus. I challenge him to review the Hansards and find out how many times when we were criticizing and condemning the government, we were also proposing ideas which would help the people of Saskatchewan.

Only the party that I have the honour to lead, Mr. Speaker, has been presenting those

ideas. The other two parties have been campaigning on their debates, in a hateful, spiteful way. I am encouraged by their actions in this regard because I think the people of Saskatchewan, the people of Saskatchewan who are not tied to a particular political party by allegiance are looking and they are seeing these two parties and they don't like what they see. They don't like the member for Nipawin getting up and saying that the people in the Attorney General's department are political hacks. They don't like the Attorney General name calling the member for Nipawin and all the other people who sit to my left. What they perceive from the members opposite, is a party that is so desperate to retain power that they will do anything, anything but come to grips with the problems of the day, anything but say, to do something for senior citizens, anything but create jobs to help the 27,000 people who are unemployed, anything but to help Saskatchewan and really realize its true place within confederation — as a have province of this country. It is still a have not province and indeed when you look at that Appropriations Bill and you examine it and you say to yourself, how is this bill in the long run going to involve the spending of money that is going to improve the quality of life of this generation and future generations, you are hard pressed, Mr. Speaker, to find any meaningful items at all.

So I say, Mr. Speaker, we have got a tired group in front of us and we have a hate filled group to our left. I say that the people of Saskatchewan are very much realizing what I say is true. I say, my friends across the way that if you hope to win an election, be it this year or next year or the year after, I don't think you have a chance, quite frankly, to win an election but if you hope to win an election on the idea Is of Saint Allan, you had better call that election pretty quick, because I'll tell you, a year from now the Premier of Saskatchewan is going to be down in the same trough you are down in. He is going to be playing the political games that you are playing because for too long, we have allowed him to stay away from the political arena and that is not going to happen any more.

Let me say, Mr. Speaker, that in this, my fourth or fifth session, I find it a disappointing session, disappointing because of a lack of productivity in a meaningful way but perhaps more disappointing for other reasons and the reasons that I talk about is the hate, the condemnation, the detestation of each other that has gone on in this Assembly for the past few months. I say that, if we continue to behave in this manner, the people of Saskatchewan may just wipe their hands of all of us. I say if we continue to behave in this manner, that none of us is going to be in a position where we deserve to be re-elected or to form a government.

I suggest, Mr. Speaker, that perhaps the party that I have led has indulged in some of this activity in the past but I say to you more than anything that the parties that have caused this degeneration of the parliamentary process of Saskatchewan, are the parties that sit to my left and the party that sits opposite.

It is funny how the members laugh over here. Again, I don't see the Premier smiling; I don't see the Attorney General smiling; I don't see the knowledgeable members who sit opposite me, smiling because they know exactly what I say to be true. (Inaudible interjection) If we would, I would suggest to the member for Nipawin that the Premier is there if he would just open his eyes. I would suggest, Mr. Speaker, that indeed, this has been unproductive and I would suggest, Mr. Speaker, that until the people of Saskatchewan would rid themselves of the NDP and until they turn themselves against the members who sit to my left as they are rapidly doing every day, the Sessions are going to continue to be unproductive because we have seen nothing from the members who sit opposite. The people who are supposed to be guiding our fortunes and our

futures, are more concerned with their own political power; they are more concerned with staying in the office of the Cabinet rather than going back to being a teacher or a union organizer or whatever than they are with the people of Saskatchewan. I say to the Premier and the members opposite, that time's up for you people. It really doesn't Matter when you call an election. If you call an election, if you call it now, you may finish second. If you call it a year from now or later, I suggest you will finish third.

MR. SMISHEK: — Mr. Speaker, I start off with agreeing in part with the Leader of the Liberal Party that since this Legislature opened, regrettably there has been a certain kind of ugliness develop. It is regrettable. I will have a little more to say about that in a second.

Mr. Speaker, first of all let me comment on some of the things that the Leader of the Liberal Party has raised. First of all let me say that I do wish him well. I do wish that he keeps the Liberal Party alive because it is surely withering away on the vine, if it is not dying on the vine. At the present time if an election were called he would be lucky if the Liberal Party would come here with one member. I do hope that he gets started, and he gets moving and he gets building because that is what we would like to see.

He made a number of remarks about the Budget not coming to grips with some of the issues. I don't know where the Leader of the Liberal Party was. In the case of the question of employment and unemployment, in this Budget we have provided funds which will create directly, at least, 4,000 full time jobs in the coming year. We will provide at least another 1,400 seasonal jobs. A total close to 6,000 new jobs will be created Mr. Speaker; \$140 million additional provided for capital projects for a total of \$834 million in capital project spending in the coming year.

Dealing with the problem of cost of living, as I said a moment ago, we have provided in this Budget tax concessions, tax reductions, which will benefit to the tune of \$145 for every man, woman and child.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — Now, I find it interesting when the Liberals and the Conservatives talk about Crown corporations, particularly about power and telephones. Here they are talking that the rates are too high, that the profits are too much. They say that we shouldn't make a profit. If the profits were lower, they would be the first ones to be attacking those corporations for being inefficient for not making a profit. Now that's the style of the Liberal Party. We have heard it over and over again like a broken record.

Mr. Speaker, I don't know where the Leader of the Liberal Party has been in the last while. He said it has been a bad Budget. If it has been a bad Budget, I invite him to look through the newspaper accounts, where municipal governments, health organizations, construction associations, the working people, the business community, the economists, the financial community, all came in support of this Budget, hailed it as an excellent document, a Budget which comes to grips with today's realities to deal with the economic problems facing Saskatchewan. It called upon other provinces to take a lesson and take the leadership shown by Saskatchewan.

I don't know where the Leader of the Liberal Party has been when in the last seven years we have been innovating in the field of new economic development, new resource development. Potash Corporation, Oil Corporation, the possibility of uranium. Mr. Speaker, all kinds of new programs. What have they been doing for the last seven years?

They have been criticizing us for introducing too many programs. He says that we have stopped innovating in the area of social services. What about the drug plan? You may not like it but the people do! What about the hearing aid plan? You may not like it but I will tell you, talk to the senior citizens. They say it is the greatest thing that ever happened.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — What about the dental program for children? The Liberals and Conservatives don't like it but the children, the mothers and the parents do.

Incidentally, let me answer one further little charge which came to my mind just yesterday; I had to go to see my dentist to fill a tooth. I asked Dr. Geisthardt, who was the president at the time when the dental program was introduced, Alt (I have known him for a long time) when we were introducing the drug plan, did your association at any time offer to provide free dental services for children or provide free administrative services? He said, never! He is still on the executive of the dental association.

What about other social programs — Family Improvement plan, senior citizens' income plan, new housing programs? These are innovative programs. People from outside are coming to take a look at them. No, Mr. Speaker, we have not stopped innovating. We will continue innovating. We have implemented 'new deal for people' when we got elected in 1971; we are now on the verge of implementing 'new deal 1975'. Come 1978 or 1979 there will be another 'new deal' for the people of Saskatchewan, introduced by the New Democratic Party which they will support.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — Mr. Speaker, let me say a word about the Leader of the Conservative Party. He introduced another new word into the dictionary, he called it a 'yuk' session. Well, I suppose, he is the man who has been dishing out the yuk. He has been the man who has been swallowing the yuk at that. He is the man who is going to wallow in that yuk, Mr. Speaker. . . .

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — . . . because he is that kind of a yuk person. The people are beginning to realize it, Mr. Speaker.

Mr. Speaker, what about the senior citizens? Where has he been? We increased the Supplementary Income Plan by 25 per cent. My colleague, the Minister of Health announced 330 additional level IV beds for senior citizens. Take a look at the revenue sharing; 45 per cent of this Budget is handed out to local governments to provide services in the communities, run through the health programs, through the local governments, by the school boards; 45 per cent of this Budget is paid out in grants and programs to be financed and delivered by the people in Saskatchewan communities.

Mr. Speaker, I am interested and I am sure the people of Saskatchewan are going to be interested, particularly in public service. He says 90 per cent of the administrators, 90 per cent of the public service should be eliminated. I am sure if the chance came, that's what the Conservatives would do and they would bring their hacks in. They would bring their mafia in to try to run this province, Mr. Speaker. But the people of Saskatchewan will not permit that, mark my word.

The attack, Mr. Speaker, as I said earlier, continues. He continued his attack on the medical profession or part of the cancer program. He continued to degrade the health services, Mr. Speaker. I am confident that the people of Saskatchewan support the health programs introduced by the New Democrats and are being financed. All the people have to do is look to the East, look to Manitoba. What have they done? They have provided a 2.6 per cent increase in the health budget. Hundreds of workers are being laid off. In fact, many of the services are being closed down today in the province of Manitoba. That's what the people of Saskatchewan would get. Now the Leader of the Conservative Party talks about the Crown corporations and about the secrecy. You know the problem that the Leader of the Conservative Party and his colleagues have. If you give them a report they don't understand it; they don't read it. All they want to do is make noise about it. All they do is want to make noise about it.

Mr. Speaker, let me turn to my closing remarks for a moment. The Leader of the Liberal Party made some remarks that I was interested in, when he made reference to this being a somewhat ugly session. I agree. Often the debate got personalized. It was regrettable, regrettable because it degrades the institution of parliamentary democracy; an institution for its weaknesses, Mr. Speaker, for all its rewards and all its shortcomings is an institution that I support. In my judgment it is the best form of government that man has devised. Now we as members of the Legislature, all of us, have been elected to give leadership, to set an example, to support, to protect and defend this institution.

Mr. Speaker, I received my training, or cut my teeth, as an opposition MLA under the guidance and leadership of men like Woodrow Lloyd and John H. Brockelbank who taught us to respect this place. We were taught to work, to ask questions, to probe and to make proposals providing they had some meaning, some substance and some purpose. We were taught to be tough but to be humble and to always try to act like gentlemen. When an agreement was made, it was an agreement. Today, Mr. Speaker, there seems to be a different rule. The agreements are honoured more in a breach.

Mr. Speaker, I agree this has been a long session, the longest session in history. 34 days during the fall, 58 days this spring— 92 days in total. I have sat in this House since 1964; that's 14 years. During this period there have been at least 20 sessions. This one takes the prize for being the longest session. Unproductive verbiage, side issues and small politics was the name of the game. There were moments, frightening moments, almost scary. I agree, Mr. Speaker, with the hon. member for Regina South when he spoke yesterday. God help the people of Saskatchewan if by some quirk, if by some quirk, the member for Nipawin ever got to be the Premier of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — He has given notice today to the public service. Who in the public service I ask, would want to work for such a man, who has such a perverted concept of law and legislative process? Mr. Speaker, let me suggest to the people of Saskatchewan that this is a dangerous man, a man to be feared. What would happen to the many programs and institutions the people have built up over the years? What would happen to the Saskatchewan economy, to the financial stability of this province, to the good management of our budgetary and financial affairs? He would convert all of this to his style of accounting. I believe that the people of Saskatchewan are getting a little bit of an idea, a bit of a concept, a bit of an insight into his style of accounting, Mr. Speaker.

Mr. Speaker, Saskatchewan, as I have said many times, is a good place to live. I have

great pride in the province of Saskatchewan and the people of Saskatchewan. Mr. Speaker, this has been a great Budget. It gives me a great deal of pleasure in moving final reading of this bill.

SOME HON. MEMBERS: — Hear, hear!

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

SECOND READING

HON. MR. BLAKENEY (Premier) moved second reading of Bill No. 80— **An Act to amend The Legislative Assembly Act (No. 2).**

Motion agreed to and bill read a second time.

COMMITTEE OF THE WHOLE

BILL NO. 80 — AN ACT TO AMEND THE LEGISLATIVE ASSEMBLY ACT (NO. 2)

Item 1 agreed.

Item 2 agreed.

Motion agreed to and bill read a third time.

Committee reported progress.

ROYAL ASSENT AND PROROGATION

At 7:25 o'clock p.m. His Honour the Lieutenant Governor, having entered the Chamber, took his seat upon the Throne and gave Royal Assent to the Bills presented to him.

His Honour, the Lieutenant Governor was then pleased to deliver the following speech:

Mr. Speaker, Members of the Legislative Assembly:

It is my duty to relieve you of further attendance at the Legislative Assembly. In doing so, I wish to thank you and congratulate you on the work you have done.

After careful consideration you have given approval to The Education Act, a measure designed to consolidate existing school law and strengthen local autonomy in education.

In order to deal more effectively with Saskatchewan's resource revenues, you have passed legislation establishing a Heritage Fund for Saskatchewan.

You have passed legislation to:

- reduce the income tax
- reduce the education and health tax
- increase the property improvement grant; and

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— increase home repair assistance for senior citizens.

To encourage energy conservation by home owners you have passed The Home Energy Loans Act, 1978.

You have strengthened the rules relating to elections expenses.

In passing The Municipal revenue Sharing Act, 1978 you have provided the basis for a new system of financing for local governments that recognizes the need for unconditional grants that grow with the Saskatchewan economy.

You have taken steps to reorganize the magistrates' courts in Saskatchewan and to give those courts a new name and new status.

To provide for the celebration of Saskatchewan's 75th anniversary in 1980 you have approved legislation establishing a body to assist in organizing the celebration of this important event.

You have enacted measures to strengthen The Farm Ownership Act, 1974 in order to maintain the ownership of Saskatchewan farm land by Saskatchewan residents.

I thank you for the provision you have made to meet the further requirements of the Public Service and I assure you that this sum of money will be used economically, prudently and in the public interest.

In taking leave of you, I thank you for the manner in which you have devoted your energies to the activities of the Session and wish you the full blessing of Providence.

The Hon. Mr. Cowley, Provincial Secretary, then said: Mr. Speaker, and Members of the Legislative Assembly:

It is the will and pleasure of His Honour the Lieutenant Governor that this Legislative Assembly be prorogued until it pleases His Honour to summon the same for the dispatch of business, and the Legislative Assembly is accordingly prorogued.

His Honour then retired from the Chamber at 7:30 o'clock p.m.