

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Nineteenth Legislature**

**Monday, March 12, 1979.**

The Assembly met at 2 p.m.  
On the Orders of the Day

**WELCOME TO STUDENTS**

**HON. E.C. WHELAN (Regina North West):** — Mr. Speaker, through you it is a pleasure to introduce to the Assembly about 50 Grade 3 and 4 students from George Lee School in Regina North West. Their teachers, Vicky Caragata and Evelyn Masse, are seated with them in the Speaker's gallery. We plan to meet them for questions, or pictures. All members, I am sure, join me in welcoming them and expressing to them our appreciation for taking the time to visit the legislature.

**HON. MEMBERS:** Hear, hear!

**MR. W.J.G. ALLEN (Regina Rosemont):** — Mr. Speaker, I draw your attention and the attention of other members of the Assembly to the west gallery. We have 20 Grade 8 students from McNab School in the Regina Rosemont constituency. They are accompanied today by Mr. Harlelid and Miss Hoenson. I am sure all of you will want to join with me in wishing them a very enjoyable and educational stay in the legislature and safe trip back to McNab School.

**HON. MEMBERS:** Hear, hear!

**QUESTIONS**

**Report of Dr. John Markham**

**MR. R ANDREW (Kindersley):** — A question to the Minister of Labour (Mr. Snyder). In January of this year Dr. John Markham released his report, the study involving the possible harmful effects of overexposure to potash dust and the potential problem of chronic bronchitis. I understand, to date, that no action has been taken on that report. Would the minister tell the Assembly as to why that action has not been taken?

**HON. G T. SNYDER (Minister of Labour):** — In answer to the hon. member's question, the review is being conducted of the study conducted by Dr. John Markham. I am not sure that there... (inaudible interjection)... I say there is a view of the study — if you will wait until I finish, Mr. Leader of the Opposition (Mr. Collver), I will attempt to conclude a sentence, put a period behind it and then I hope it will express a thought.

The study, which was finalized by Dr. John Markham some time ago, does not have the unanimous approval, nor is it the unanimous view of a large number of medical people. There have been divergent views as to the effect of potash dust. I think it has to be said that the study which has been received is being studied further by a number of other people who are knowledgeable in the field of occupational health. At this point in time, I think you are right in assuming that there has not been any profound change in the mining or the processing of potash and I don't expect there will at this particular point in time.

**MR. ANDREW:** — A supplementary, Mr. Speaker. Would it be fair to say that the study

is conducted by people in your department or people in the Saskatchewan Federation of Labour as opposed to independent medical people?

**MR. SNYDER:** — The Markham study was one that was done as a result of a national health grant. Dr. Markham conducted a study and drew some conclusions which are being viewed, first of all, by the former director or the former medical director, Dr. Leslie Euinton and we are expecting when the new medical director arrives who has been recently appointed, we want him to have some further insight into the Markham study prior to any further action being taken.

**MR. ANDREW:** — Supplementary question, Mr. Speaker. In that same report or the offshoot from that report, one Herb Wooley of the Department of Labour expressed some concern about the possible harmful effects of diesel engine exhaust. Can the minister tell this Assembly whether or not any further research is being done into that or anticipated into that potential problem?

**MR. SNYDER:** — In the potash mines, Mr. Speaker, monitoring of exhaust fumes from machines that are used underground is done on a regular and a continuing basis in order to insure that the level of carbon monoxide fumes and other elements that come about as a result of the combustion of fuel will not exceed the allowable limits in underground mines.

#### **Gas Line Breaks**

**MR. R.A. LARTER (Estevan):** Mr. Speaker, I would like to direct a question to the minister in charge of SPC. On August 3, 1978 SPC had a minor gas break between the Steelman plant in Estevan and again on August 19 they had a major break in which they lost 6 million mcf of gas. This is treated gas and on a retail basis this would be \$150,000 or \$130,000. Could the minister verify this if this is correct?

**HON. J.R. MESSER (Minister of Mineral Resources):** — I'll take notice, Mr. Speaker.

#### **Transfer of only Gas Technician**

**MR. LARTER:** — New question, Mr. Speaker. Would you also take notice, Mr. Minister, of the fact that you transferred the only gas technician out of there to Saskatoon and that now there is just a general overhaul or a general overview of the gas valves. Everything is done once a month out of Regina. Can you tell me if this is going to be corrected?

**MR. MESSER:** — Mr. Speaker, I don't know exactly what the member is getting at but I do want to assure him that any moves that have taken place have taken place in order to improve the operation of the system, not to any way deter its operation. I've taken notice of the proposed leaks that took place sometime in the summer of 1978 and I'll report back to the House later.

**MR. LARTER:** — Supplementary, Mr. Speaker. The SPC people tell us that if this technician had been in place that the major break would not have occurred. Would you kindly take notice on that too please?

#### **Water Runoff**

**MR. G. MUIRHEAD (Arm River):** — A question to the Minister of Environment, Mr.

Speaker. It seems of late that we should be keeping scorecards for the various departments that are failing to report to their department heads.

**MR. SPEAKER:** — Does the member have a question?

**MR. MUIRHEAD:** — Mr. Speaker, in view of the raw sewage leak into the Moose Jaw Creek, the Department of Environment has stated this is no problem and that it will correct itself with the runoff this spring. My question to the Hon. Minister of the Environment is this. Does he think the same for the open channel that carries the water from Diefenbaker Lake to Buffalo Pound water reserve?

**HON. G.R. BOWERMAN (Minister of the Environment):** — Mr. Speaker, I don't understand the member's question. I don't know the connection which he is making between the inadvertent flow of effluent into the Moose Jaw Creek, and his related comment with respect to the Diefenbaker Lake, Buffalo Pound Lake connection. I'm sorry, I don't have the question.

**MR. MUIRHEAD:** — Mr. Speaker, is the minister trying to tell the House that he is not aware of the various incidents for the last few years where several hundreds of thousands of dollars have been spent in removing cattle out of this valley, and also, Mr. Minister, are you saying that you are not aware? Is this another incident where the department heads are not notified?

### Number of Government Employees

**MR. P. ROUSSEAU (Regina South):** — Mr. Speaker, I have a question for the Minister of Finance. In your budget speech, Mr. Minister, you indicated for 1978, a total of 14,132 permanent and non-permanent government employees. The Government of Canada statistics, September, 1978, indicates 20,605 not including the Crown corporations. My question, Mr. Minister, is the difference of some 6,000 employees out-of-scope employees?

**HON. W.E. SMISHEK (Minister of Finance):** — Mr. Speaker, we do have a problem in the case of reporting to the federal government. Once a year the federal government, I think, asks of the Department of Labour, as to the number of persons that are employed. As at, I believe, July or August, we may have quite a number of part-time employees who are employed in parks, where we employ a lot of seasonal people in road construction, and during a period of three or four months, indeed, there will be more than 3,240 non-permanent employees employed in a given month or two or three months. But on the average, and if the hon. member looks at page 33 of the budget address, what we are saying there is, man-years of employment.

On the average, the number of non-permanent positions that we are estimating and money is provided for, is 3,240. The number of permanent positions that we are estimating is 10,633, for a total of man-years of employment of 13,873, which is the only fair basis, it seems to me, of reporting the number of employees that we employ.

**MR. ROUSSEAU:** — Mr. Speaker, I didn't get an answer to my question. You mentioned July and August, and I said September, first of all. Secondly, again Government of Canada statistics for January to March, and I'll take March, say 16,913. We can almost take any month and we're going to have around 17,000 to 20,000 employees versus 14,000, which you have indicated in your budget. I did read the paragraph you were mentioning re the average, and I understand how that works, but it still works out to that

figure. If we use Government of Canada statistics, it will work out to probably 18,000 or 19,000. The question I asked, which I haven't received an answer to, was, are they out-of-scope employees?

**MR. SMISHEK:** — Mr. Speaker, I would have to take a look at that report to see who they are including. My guess is that they are saying in-scope and out-of-scope. Incidentally, Mr. Speaker, we also have had a situation where, for example, for some unknown reason, the federal government, in reporting the number of public employees, has taken the University Hospital employees and included them in our public service. That has been the experience. Mr. Speaker, I would like to take a look at that report and perhaps be able to give the hon. member a more thorough explanation. Certainly during the period of estimates, when the public service estimates come up in the House, I'd be glad to discuss this matter in considerable detail with the hon. member.

**MR. COLLVER:** — Supplementary question, Mr. Speaker. Would the minister provide for this Assembly the number of out-of-scope employees employed by the Government of Saskatchewan, not including the Crown corporations?

**MR. SMISHEK:** — Those persons who are out-of-scope of the collective bargaining agreement? Certainly I'd be glad to provide that information, but I do not have it at hand. I'll take the question as notice.

#### **Responsibility for Statements Regarding Doctors**

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, I'd like to direct a question to the Premier, in the absence of the Minister of Health (Mr. Tchorzewski), Dr. David Penman, Chairman of the Medical Care Insurance Commission, was quoted on Saturday in the news media, saying that some doctors have lost sight of their goals and have eyes only for money. That statement is somewhat inflammatory, to say the least, given the negotiations that are going on. Given the lack of a ministerial responsibility policy by the government opposite, would you indicate that you hold the Minister of Health responsible for such statements from such a senior official?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, in a technical sense, yes, I will so indicate. It is not always possible to be assured that public servants will always, when speaking, enunciate government policy. They are people and occasionally voice views of their own. On this occasion the chairman of the Medical Care Insurance Commission was voicing his opinion and his opinion is not necessarily the opinion of the government.

**MR. LANE:** — Supplementary. Would you not admit, Mr. Premier, that that particular individual making such inflammatory statements and such poorly-timed statements, given the negotiations that he himself referred to, that he himself should make a public apology to the doctors. In fact, there should be a direction from the Minister of Health that in future he be muzzled and not make such inflammatory and irresponsible statements, unless the minister himself is prepared to take the responsibility and accept the responsibility.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I agree that the statement was an unwise statement. I agree that if it was not made with the minister's concurrence — and I suspect it was not — that it was an improper statement. I will undertake to advise the minister to instruct that particular official not to make interventions of that kind, at this time, when efforts

are being made to conclude an appropriate arrangement with the Saskatchewan Medical Association.

**MR. LANE:** — Final supplementary to the Premier. Would you indicate for the direction of other members of the Treasury benches that they are in fact responsible to this Assembly for the utterances of their senior officials. If they are going to allow their senior officials (and I say that is their right to make statements of policy or criticism, or whatever) that they themselves will take the responsibility before this Assembly, so that we have some system of determining responsibility for the public.

**MR. BLAKENEY:** — Mr. Speaker, in general terms I agree with the hon. member. I think he raises a fundamental question and that is the ministerial responsibility for comments, information or otherwise — information issued by public servants. In general terms I agree with the hon. member. I therefore disagree with those who are calling for freedom of information acts and information of the like, if we are still to have ministerial responsibility. Obviously we have to make a choice as between a freedom of information regime and a ministerial responsibility regime...

**MR. LANE:** — Not necessarily...

**MR. BLAKENEY:** — Ah... I think we have a ministerial responsibility regime and accordingly, I believe that ministers are responsible for the comments made by their public servants in an official capacity. It will not always be true that the public servants will check with the minister but if the minister feels the statement is inappropriate, then I think the subject is a fit one for a reprimand. Accordingly, in substance I agree with the hon. member.

### **Ministerial Responsibility**

**MR. COLLVER:** — New question, Mr. Speaker. Given the Premier's admittance of an unconscious error on the part of the Department of the Environment in not informing the minister; given the Premier's admittance of the responsibility of the Minister of Finance for the budget leak (but no action taken); given the Premier's acceptance today of the responsibility of the Minister of Health for the statements of his deputies, when can the people of Saskatchewan and this legislature get some action on responsibility, instead of just merely words on responsibility?

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, may I just make one preliminary comment. With respect to the statements attributed to the chairman of the Medical Care Insurance Commission, while the minister is undoubtedly responsible for what the chairman said, he may or may not be responsible for what the chairman is reported to have said. I'm not suggesting the chairman was misquoted; I am simply saying that that is a possibility. And for those who have not been in politics very long, may I assure them that it is a possibility to be misquoted.

May I go on to say, yes, action will vary with each case. Sometimes the action will be a simple admittance in this House that there is a shortcoming and it will be left with the House to decide what ought to be done. It is not necessary that each transgression, each deviation from perfection, should be visited with dismissal or a change of portfolio. That is simply not reasonable. As another political leader has said recently in this city, one ought not to compare people with the Almighty, but only with the

alternative.

**SOME HON. MEMBERS:** Hear, hear!

### **Cancer Clinics and Patient Lodges**

**MR. E.A. BERNTSON (Souris-Cannington):** — Mr. Speaker, a question to the Premier in the absence of the Minister of Health. In 1972, the Johnson report recommended patient lodges in conjunction with the two cancer clinics in Saskatchewan. In May of 1978, Berntson, the MLA for Souris-Cannington, recommended the same thing. In June of 1978, Dr. Watson, who was commissioned by this government to review the cancer program, recommended the same thing. On November 10, 1978, the Saskatchewan branch of the Canadian Cancer Society said, we will fund it, to which the minister responded, I am interested in the proposal. It has taken seven years to arouse his interest. What will it take to get some action. I see no mention of it at all in the budget.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I might have added to the chronical saying February 23, 1979 throne speech announcing the cancer foundation or confirming previous announcement by the minister of the establishment of the cancer foundation and it is our belief that the proposal put forward has merit. We were particularly impressed with the comments of Dr. Watson and of the member for Souris-Cannington (Mr. Berntson)...

**AN HON. MEMBER:** — Not necessarily in that order!

**MR. BLAKENEY:** — No necessarily in that order. We believe that the cancer foundation will launch such a program. In fact, in some other provinces, particularly in Ontario where Dr. Watson is familiar with it, the cancer foundation I believe does also operate the lodges. We want the foundation to look at this but we expect that they will proceed in that way because I think that the model which Dr. Watson recommended is a foundation which operates these. He made both recommendations, that we have the lodges and that we have the foundation, and I expect it will proceed from there.

**MR. BERNTSON:** — A supplementary, Mr. Speaker. Can the Premier give this House the assurance that enabling legislation to set up the cancer foundation will in fact give the foundation that sort of autonomy? The reason I asked this question, Mr. Speaker, is that last spring when all of this discussion was going on the Premier of this province said that (I'll paraphrase) if we are going to take the blame for the mess anyway, we are going to be in control of it and I would be reluctant to recommend that sort of autonomy.

**MR. BLAKENEY:** — Well, Mr. Speaker, I hasten to attempt to bury the paraphrase by saying that I don't ever recall admitting to a mess, but if we are going to take responsibility for the program that's true. Let me answer the hon. member's question as directly as I can. I cannot recall the provisions of The Saskatchewan Foundation Act which I have had an opportunity to review. I believe it does provide the opportunity for the foundation to operate lodges. I believe it does provide that measure of autonomy and I know that if it does and if the foundation is set up on that basis, hon. members opposite will respect that level of autonomy and not expect us to be responsible for the program.

### SPC Operations — Coronach

**HON. J.R. MESSER (Minister of Mineral Resources):** — Mr. Speaker, the member for Estevan (Mr. Larter) some days ago asked a number of questions with regard to the SPC operations at Coronach, Saskatchewan. I answered some of those questions at that time and took notice of others. He asked whether there was flooding damage in the Coronach area. I told him at that time there was not and it still remains the case. He was also concerned about the working relationship of the Department of Environment and I told him that SPC continued to work with the Department of Environment in trying to predict any danger in regard to run-off from flood waters and we still are.

He also inquired about a potential problem with the freezing of gates at the Coronach Dam and I told him I was not aware of that. I am now prepared to convey to him, Mr. Speaker, that the gates at the dam were frozen. It is not uncommon for that kind of structure to have its gates frozen over during the winter months and there is a standard procedure in thawing out the ice around those gates in order to put them into an operative or functioning fashion.

I might also say that if for some reason there is a problem, the dam is so designed so the water will run over top of the gates without any problem for the dam or the operation of the spillway.

He also inquired, I believe, about a rusting damage in some of the equipment at the Coronach Dam. We have had some problem with water contained in the stator cooling passages of some equipment that was shipped to us from Japan. It did not bring about a rusting problem but it did freeze in transit and, therefore, the insulation on five generator coils cracked. Hitachi, the Japanese company providing the Saskatchewan Power Corporation with the equipment, is now on site reviewing that damage. They have taken full responsibility for the collection of the water in the stator cooling passages and will be undertaking to correct and repair the damage as soon as possible. There will not be any implications in regard to the installation of that equipment because of that problem.

**MR. LARTER:** — I would like to thank the minister for giving me such a prompt reply on those questions.

### Amalgamation of Drainage and Flood Control Acts

**MR. H. SWAN (Rosetown-Elrose):** — Mr. Speaker, a question to the Minister of Municipal Affairs (Mr. MacMurchy). In light of the concern that is being expressed by the chairman of the Public Advisory Committee on Drainage and Flood Control, is the government prepared to do some amalgamation of the several different acts dealing with this problem?

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — Mr. Speaker, we do not have plans at this time to do any kind of amalgamation as suggested by the hon. member.

**MR. SWAN:** — Supplementary. Is the government aware of the backlog of applications dealing with the drainage of conservation areas in the province — some of this backlog of information going back as much as five years?

**HON. E. KAEDING (Minister of Agriculture):** — Mr. Speaker, there are some backlogs of drainage projects, some of which are being held back because of lack of hydrology

**March 12, 1979**

studies which we are now in the process of doing. We have put some basin freezes on a number of areas simply because we are not confident that the channels downstream can handle the volumes of water which would come forward with some of the drainage projects. So until we are assured of that we are not going to be moving with some drainage projects.

**MR. SWAN:** — A supplementary. Are you also aware of the amount of drainage that is being done in the province without anyone getting the permission of government and because of that extensive areas are being drained at the jeopardy of the conservation areas for wildlife in the province?

**MR. KAEDING:** — Mr. Speaker, members opposite will be aware of the fact that we have had a drainage and flood control committee working. That committee will be reporting, making its final recommendations to us very shortly and we will be taking some action from there on.

**MR. SWAN:** — Thank you.

### **ADJOURNED DEBATE**

### **BUDGET DEBATE**

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

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Speaker, since this is the first time in this, the first session of this legislature, that I have officially had the floor, please allow me to express my congratulations to you for your elevation to your very high office. We have every confidence that we can expect the same level of impartiality that we received during the last session of this legislature.

Also, allow me to express my congratulations to the new members in this Assembly, with my sincere wish that you will find your time in this Assembly to be a rewarding one. In all probability your term will not be extended beyond 1982 but I do hope you enjoy your time interval in this period.

Mr. Speaker, much has been said in this Assembly concerning the reasons why the NDP Party is on that side of the Assembly, and why the Conservative Party are on this side. The reasons really don't matter much. What is important is that you are there and we are here. However, I believe that the 1979 budget typifies one of the reasons why you are on that side and we are in opposition. For many years, the New Democratic Party and its predecessor, the CCF, have been masters of irresponsibility. You have always had a tremendous PRAC record, bribing the taxpayer with his own money.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — You have always been masters in creating the illusion, that somehow, in some great magical creation you could give someone something for nothing. Mr. Speaker, all of us know that a government is not a great deal different from individuals. When an individual spends more than he makes, obviously he is in financial difficulty. And when a government does the same it must also follow that they are in financial difficulty. And when a government has done so over a period of years, then



they are in even greater difficulty.

That the success of the New Democratic Party lies in the fact that despite its horrible record of fiscal irresponsibility, they have somehow, somehow managed to impart to the public an image of responsibility. And there, Mr. Speaker, I think basically lies the reason as to why you are there and we are here. It does not take a great deal of talent to bend money. You really don't need a PhD in economics to do so. You can do it with a kindergarten education. But to spend money wisely in a stimulative fashion, in a productive capacity and to raise money in a similar manner, does require some degree of expertise. When one cannot balance his books in times of plenty, when all the economic indicators are favorable, then difficult times are in store when the economic conditions are not quite so favorable.

Mr. Speaker, regrettably, we on this side of the House are afflicted with a disease, a disease that has probably kept us from winning an election, a disease the New Democratic Party has never known, or at least had very little to do with. That disease is known as responsibility. Mr. Speaker, members on that side of the House can scoff. It's not uncommon for them to scoff at something of which they know very little about and responsibility is certainly something that, in particular, the Minister of Labour knows very little about. It is our philosophy, and very basic in our philosophy, to tell the people, the taxpayers, that we can give them nothing for nothing. It is our philosophy that we must tell the people that before we can give them something, we must first tax it away from the source. We have no magical formula to create money out of thin air and our source of revenue is from basically you, the people.

Mr. Speaker, it is a basic economic fact that any government is penniless and to attempt to tell the population anything other than that is sheer, unadulterated, irresponsibility. When one contrasts that with the wild promises and the reckless spending of the New Democratic Party, it does illustrate exactly how fatal a disease that responsibility is, as October 18 conclusively demonstrated. The New Democratic Party has never hesitated to spend money when their own political survival was at stake. It has never concerned them that they were spending someone else's money. Conversely, it never bothered them that the books didn't balance at the end of a current year. And this attitude typifies the years '71 to '79 in a financial perspective.

The 1979 budget is perhaps one of the greatest achievements of the Blakeney government in terms of irresponsibility. You may recall the initial reasons when deficit financing reared its ugly head in Saskatchewan. That being in times of good years, surpluses would be put away, would be drawn on for stimulative purposes in the economy when times deteriorated. The cyclical financing theory was an offshoot from the Keynesian economic theory, nurtured so affectionately by the London School of Economics. It became the Bible with the Liberal government in Ottawa. The government of the day was going to deficit for only that year. Then events led them to deficit the next year, and the year after, and the year after that, to the point that deficit budgeting as a way of life on the federal scene — so much so it is highly improbable that Canadians will ever get out of debt. In fact, Mr. Speaker, there is a virtual certainty that in perpetuity, Canadians will pay large portions of their income towards interest on the national debt. It is chilling when one applies that history to Saskatchewan. This is the fourth budget brought down by the present Minister of Finance. His initial budget projected a surplus, although when the actual figures were in, it was a very sordid \$26 million deficit. In his remaining budgets, he made absolutely no attempt to pretend that he could balance the books.

**March 12, 1979**

I've already labelled this budget and its underlying philosophy as being comparable to robbing Peter to pay Paul. I say to this Assembly today, we as legislators have no right to do what we are doing. We have no right to do this to the future generations of Saskatchewan and to leave them a legacy of debt. It should make no difference what the federal government may choose to do fiscally. It should make no difference what other provincial governments, regardless of their political stripe, choose to do in a fiscal manner.

The plain fact and truth is that deficits from 1975 on have been unnecessary. They were unnecessary last year and they are not necessary this year. You can hardly categorize the past four years as reminiscent of the deep, dark '30s, which the bulk of us in this Assembly never saw. You can hardly categorize the past four years as ones of economic recession in Saskatchewan. Without question at least some of those years were better than others. But even the worst of them never approached a situation that warranted a government spending more than what it received in revenue. In short, Mr. Speaker, the actions of this legislature since 1975 from a financial point of view have been shameful. All of us who have been involved in this legislature since 1975 must share some of the burden for the irresponsible financial actions of this NDP government. The government must take the brunt because you perpetrated it. We in the opposition side must take our share because we were unable to adequately convince the people of this province of the irresponsibility of your actions. In that we failed, we must be held accountable. Again, Mr. Speaker, I say categorically, we as legislators have no right to spend the legacy of our children and to condemn unborn generations to perpetual debt. Surely we can learn from Great Britain; surely there is a lesson to be learned by the experiences of New York City and more recently the city of Cleveland. Surely we as legislators and especially those on the government side are not so intransigent as to not admit the obvious.

Mr. Speaker, this brings up an intriguing point. We have spent a great deal of time in this legislature talking about morals. This brings up an interesting moral question, namely, do we have the right to spend our children's legacy? Of course, advancing that question just a little bit further, do we have the right to deficit budget? We have all heard a great deal about a movement sweeping the United States, taking the form of a taxpayers' revolt against excessive government spending and the corresponding heavy taxation. This movement was started in California by a gentleman by the name of Howard Jarvis. Against all odds he won what is known as Proposition 13 in California. The entire exercise was an interesting phenomena, because a gentleman whom I consider one of the sharper politicians — the Governor of California, one Jerry Brown — initially came out strongly against the implications of Proposition 13. Then in one of the greatest and perhaps most successful political flip flops the governor suddenly turned and championed the cause of Proposition 13. It may very well be that in taking this cause across the United States Governor Brown may be propelling himself into the oval office of the White House. It is an interesting phenomena because at this time 27 of the 50 state legislatures have passed resolutions calling for a constitutional convention to be called in the United States with the expressed purpose of taking away the power of the federal government to deficit finance. The moment two-thirds of the state legislatures in the United States ask for such a resolution, then by law a constitutional convention must be called. In this area, I believe, we must admire the Americans. Can you imagine the outcry, the impossibility, the total nebulousness of Canadians attempting to rewrite the British North America Act? The Americans may have the same problem but it is indeed an interesting phenomena.

Mr. Speaker, ordinary middle-class Americans have come to the conclusion that deficit

financing — government expanding faster than the rate of growth of the economy — is a power that can no longer be left to the politicians. Mr. Speaker, at this point there is no such phenomena in Canada. Certainly there are many groups who are concerned about the excessive government spending in Canada. In Saskatchewan, nothing has oriented itself to the degree of Proposition 13. I think it is fair to pose a question in this legislature that may be very philosophical in nature, but one that I believe will have to be answered in the future years. That question is simply, have politicians abused the management of the economy to such an extent that the power of deficit financing should be removed? It is an interesting question and it is most unfortunate a question like that should ever have to be asked. Basically, deficit financing orbits from the economic theories of John Maynard Keynes and, regrettably, much of the Keynesian economic theories have been bastardized by the so-called economic prophets of the '60s, '70s and probably the '80s.

Deficit financing, at certain intervals and under certain economic conditions, can most certainly be an advisable course to follow. It is a tool that should be available to those who are attempting to chart the course of our economy. Again, I ask this Assembly, the politicians in this country, regardless of their political stripe, use this option wisely.

Is deficit financing or allowing your expenditures to outstrip your revenues to become a way of life, is that using this tool responsibly? Mr. Speaker, I believe it is very difficult to answer yes to that question.

Obviously, the next question must be, should that power be removed from politicians? In other words, should it be against the law to deficit finance? In Texas it is; in Montana it is and in 27 state legislatures in the United States a resolution passed for a constitutional convention to remove that weapon from politicians in Washington.

Mr. Speaker, the very nature of democracy lends itself towards government being excessive in spending. Perhaps it is time that politicians and governments started being honest and frankly admitting the primary objective of virtually any government is its subsequent re-election.

Most of the manoeuvres in the intervening years between elections are merely moves on the chess board, ultimately leading down the road to an intended re-election. In my judgment, the indisputable master of this procedure is the federal liberal party in Ottawa. Their track record has been incredible. Their assortment of leaders has been capable. Regrettably, since the days of Louis St. Laurent, their leaders have been incapable of running the country in an effective fashion. However, there are those who would argue, and argue effectively, that the federal liberals learned many and, perhaps the majority of their lessons, from the New Democratic Party, because here, in Saskatchewan, we have a government which has demonstrated atrocious financial competency and almost deliberate fiscal irresponsibility. Yet it is undeniable that you are again government with an increased majority. It is undeniable that we are in opposition, an increased opposition, grant it, but still opposition — pitfalls of that old affliction known as responsibility.

Mr. Speaker, I believe it a fair question to ask the government just precisely why are they deficit financing. Are they doing it deliberately out of some political death wish? Obviously not. Is it because of the economic times we live in? Again, obviously not. Is it their judgment that deficit budgeting has a stimulative effect? Again, obviously not. Is it because of an inability to control the size of government and in essence the lid on government expenditures or is it a lack of talent? Mr. Speaker, I am making no

**March 12, 1979**

aspersions at anyone, however, as I look down the names of some of the people on the Treasury Board and Finance, I frankly don't see people with the obvious stature of a Tommy Shoyama or an Arthur Wakabayashi or the steely competency of an Al Johnson or the bland efficiency of a David Dombowsky.

Is it a talent problem within the department? If it is a talent problem then obviously something must be done about it. It is at that point where the responsibility for the people within that department falls squarely on the shoulders of the Minister of Finance (Mr. Smishek). If it is the people making the financial decisions who are not performing, they must be replaced. Mr. Speaker, I am in no position to carefully evaluate the people in the Departments of Treasury and Finance. Those whom I have come in contact with in this area are highly rated. One can only evaluate people when he works with them on a day-in, day-out basis. The Minister of Finance has had that opportunity for the past 4.5 years. Few changes have been made except the deficits are becoming horrendously larger. If it is not a talent problem within the department then it must be a ministerial problem. It must be one or the other because deficit financing should not have been necessary in the province of Saskatchewan these past four years. Frankly, Mr. Speaker, those who have counselled deficit financing in this time interval should be summarily dismissed from their positions of responsibility.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — I say this categorically because these false prophets have been in Ottawa for years; they have been in other provincial governments and they have arrived in force in Regina.

About three years ago the former Deputy Minister of Finance indicated well over 80 per cent of government expenditures were fixed from one year to the next. That figure has never been disputed, which must be indicative of its accuracy. The ramifications of that statement are sobering to say the very least. This means that the options of the government are highly restricted. In other words, in financial policy the NDP is really not governing. They are merely riding the treadmill common to budgets across the country. In other words, they are not managing, they are being managed — and there is quite a difference. When one stops and sorts this out, absorbs the reality of this situation, there are obvious conclusions. The government of the day is determining only about five to six per cent of the financial course of action on a year to year basis. The balance is determined by previous budgets, commitments, and the ravages of inflation. It does tend to shake one up. In other words, the rhetorical question I am asking is, who is responsible? Is it the internal bureaucracy of the Department of Finance? Is it the minister himself?

**AN HON. MEMBER:** — The Premier.

**MR. THATCHER:** — Is it the Premier to whom all ministers must report? Or is it all of you? This is not a question unique to Saskatchewan, but applies, I believe, to many provinces, and certainly to the Government of Canada. Mr. Speaker, my answer to that is yes. The Premier is responsible because the buck must stop with him. The Premier must accept responsibility for virtually anything that may occur within his administration. And yet, the Minister of Finance is responsible because under his stewardship he has allowed this situation to develop. And yes, the internal bureaucracy is responsible because they are behaving as bureaucrats, not in a unique fashion but in a manner common to bureaucrats everywhere. The Premier and the Minister of Finance must

face the indictment because they have made no attempt to stem the tide of fiscal irresponsibility which has settled in Saskatchewan like a plague of locusts.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Mr. Speaker, it's been said many times in this Assembly that 1979 is the Year of the Child. Those born in this year will graduate in the class of 2,000. What they inherit will depend on the courage and vision we pass on to them. We see the emphasis in our time on getting and spending rather than innovation and risk. The depressing spirit of buy it today because tomorrow will be too late, and it will be more expensive, is eating away at the spirit of this province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Where there should be saving for the future there is frantic borrowing. And where there should be investment in productive capacity, there is frenetic consumption — most of it by the government.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Studies have shown conclusively that the majority of our public institutions are mistrusted by the people. Statistically it is indicated that three-quarters of the people do not really trust their government. Why? Why such an anti-government mood? Putting it simply, citizens are revolting against a decade of political leaders who righteously spoke against inflation and excessive government spending, but who in practice, pursued the exact opposite course. It is in this fundamental contradiction between what political leaders have said in their anti-inflation and anti spending speeches and what they have actually done in their fiscal policies, that we find the cause of much of today's cynicism.

Most citizens know that government spending contributes to inflation, but runaway inflation is as destructive to our social well being as an invading army. Economists will argue about the fine points but people know that something is wrong when between 80 and 90 per cent of government decisions are automatically decided by past formulas and not present law makers — formulas that ensure that government and its taxes always keep ahead of inflation. People know something is wrong when the government stimulates inflation because inflation raises the value of prices, income and property so that the taxes on each grow higher. This perverse government money machine has created a fiscal dividend for not only the provincial government but also the federal government that has allowed both to expand faster than inflation and far, far faster than the rate of real economic growth.

Mr. Speaker, there is much to learn about the unprecedented primary vote in the victory of Proposition 13, not the least of which is that the established political union and corporate powers are really not a match for an angry citizenry recoiling against an inflationary threat to their homes and their pocketbooks. While it is true that tax revolt may have increased the privileges of a few, it has without question inspired the hopes of many plain working people — the poor, the elderly and those on fixed incomes — those who can't keep up with each new round of inflation or protect themselves from each subsequent round of inflation. These are the people who are crying out for relief. Mr. Speaker, in the name of those whom I have just mentioned — the working people, the poor and the elderly — in the name of misfortune of every kind, false prophets such

**March 12, 1979**

as the New Democratic Party rise to advocate more and more government spending as a cure — more bureaucratic programs, higher staffing ratios of so-called experts. They tell us that a decrease from a 12 per cent spending rate in 1979 down to a 9.5 per cent increase in 1979 is really a reduction. Now, Mr. Speaker, what sort of logic is that? I suppose it is logic typical of the financial policies of this government. To tell us that a \$200 million or a \$300 million increase in a single budgetary year is really a deep cut from the higher level of spending they would really like to do and that attempts to eliminate the inflationary growth of government is derived not from wisdom, but supposedly from selfishness.

Mr. Speaker, it's ridiculous. A government such as the present NDP reflects not a care for the future, but rather one of self-absorption. The prophets such as those in the NDP government are false prophets, and they can no longer distinguish economic reality from their socialist fantasies.

In this decade, government at all levels has increased spending faster than the true rate of economic growth. Taxes per \$100 of income have climbed steadily. The cure for inflation has been administered with a vengeance. Yet strangely enough, people feel worse, not better, about their government benefactor. The elderly find their fixed incomes eroding in half. Those about to retire fear future pensions will never keep pace. Our workers see their wages rise but not as fast as prices. Those on welfare may obtain a larger grant but find more expensive groceries.

Mr. Speaker, the Progressive Conservative Party stands for the philosophy of stating clearly that it's time to get off that treadmill. We say it is time to challenge the assumption that more government spending automatically leads to better living. Facts prove otherwise. More and more inflationary spending leads to a decline, both nationally and provincially. However, Mr. Speaker, regrettably the philosophy that I have outlined obviously does not win elections.

Mr. Speaker, Lord Keynes, in whose name many of these NDP prophets claim to speak, had this to say on the subject, if I may quote very briefly:

By a process of inflation, government can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and while the process impoverishes many, it actually enriches some. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and it does it in a manner which not one man in a million is able to diagnose.

This is a direct quotation from a book known as *The Economic Consequences of the Peace* by John Maynard Keynes. From this, it must obviously follow that government, in the same manner as an individual, must live within limits.

Mr. Speaker, the Conservative Party says that it is time to bring our charts into balance. Government must manifest the self-discipline that spreads across the other institutions in our society so that we can now, for a change, begin to work for the future and not just consume the present.

Mr. Speaker, much has been made by this government, in this budget, of the support

that is going to local governments. Many of the ramifications announced in this budget are just now beginning to become clear to those involved. They have made much of the fact that over 45 per cent of the budget is being dispersed to other levels of government.

Mr. Speaker today I was informed that a school unit known as the Thunder Creek School District which happens to be in my constituency found out this morning exactly about all the benefits they were going to receive from this 1979 budget. Very simply, what they found out from the Department of Education people was that they could look for a fantastic increase from 1978 revenues from their senior government. They could look forward to a net increase of \$18,000 dollars over and above 1978. That is the figure given to me by the secretary-treasurer who obtained this today from the Department of Education.

Now, Mr. Speaker, exactly what does this mean? It means that, starting at the top, the mill rate is going to have to go (and again this is the figure from the Department of Education people) from 57 mills to 62.75.

Now, as the secretary-treasurer said I'm not going to be hung by every municipal secretary so obviously this means 63 mills, an increase of six mills: 57 mills to 63. That's what the Thunder Creek School District received from this government.

Now, in effect, Mr. Speaker, what is this government saying to the Thunder Creek School District? They are in effect saying that this amount will not even pick up the normal increments which are due to the teaching profession. They are saying that past agreements that we made with the teachers last year which called for a cost of living adjustment, etc., for 1979 — they are saying the ratepayers should pick this one up.

What else does it mean to them? The government is in effect saying to the Thunder Creek School District that any increments or ravages of inflation or any other additional increases that you require for 1979... go to your ratepayers. Don't come to us; that's what this government is saying to the Thunder Creek School District.

Mr. Speaker, by tomorrow we'll hear from a great deal many more school districts throughout the province. I'm informed by my seatmate, or my adjoining member here for Rosetown-Elrose (Mr. Swan), that the Rosetown-Elrose School Unit can look forward to increasing their mill rates five to six mills.

I'm sure that as this debate goes on many more enlightening figures like this can be bounced to you, but the ones I've just given you from Thunder Creek are from the Department of Education, provided by the secretary-treasurer and I assume they are accurate.

That is what this government has said to education in Thunder Creek. For whatever added expenses you've got, go to your ratepayers; don't come to us! That is what we've got from this NDP government!

**SOME HON. MEMBERS:** Hear, hear!

**AN HON. MEMBER:** — And they increased their salaries themselves.

**MR. THATCHER:** — Yes, it's interesting to note that the increases that the government of Saskatchewan negotiated, settlements that you made on behalf of these school units.

**March 12, 1979**

You are now saying to the school units, you pick up the tab, you pick it up. We did a good job in setting them, but you pay for our negotiations. That's just a wonderful philosophy and it is indicative of the attitude that this government has had toward local government all the way through.

Mr. Speaker, turning to the debt of this province, one finds an equally unsettling situation as was true with the deficit for the current year's operations. Mr. Speaker, it is very shocking that in the five-year period from 1973 through to the end of 1978 the total debt of the province of Saskatchewan increased at a compounded annual rate of 18.3 per cent. Every single year — 18.3 per cent. Mr. Speaker, I suggest that this is a disgraceful figure. It is far higher than the worst years of inflation. It is a higher rate than the revenue intake of the province and it is a higher rate than the expenditure rate of the province. For those who understand the significance of this 18.3 percentage increase (and that is every year) there is no more damning statistic that can be put forward as an indictment of the financial policies of this government.

Mr. Speaker, I submit to this Assembly and the people of Saskatchewan that this level of borrowing is atrocious financial mismanagement. At the end of 1978, the total debt of the province of Saskatchewan had risen to the astronomical figure of \$2.1 billion. With \$419 million in new borrowing projected for 1978 this will take us to over \$2.6 billion.

Mr. Speaker, in this Assembly we get accustomed to talking in terms of millions and billions, to the point that the words have almost no meaning to the members — you become numb. Mr. Speaker, \$2.1 billion — when you stop and think what that is — it is incredible. Mr. Speaker, \$2.6 billion by 1980. In other words, every man, woman and child has a debt of over \$2,600 in this province. So in a family of four the wage earner in the family, somewhere in the course of his taxation, must pay interest on that figure of \$10,400 — four times \$2,600. That's just simple mathematics.

Mr. Speaker, let's take just a little closer look at the make-up of our provincial debt. Approximately 94 per cent of all provincial borrowing has been incurred to finance Crown corporations and Crown enterprises. Such enterprises are normally charged with all debt service charges incurred by the province in obtaining these funds, with the result that the liability of such enterprises to the province should equal — and I emphasize should equal — the funded debt liability that the province incurred for this purpose. The exception of course is the Saskatchewan Economic Development Corporation which assumes only 87 per cent of debt servicing costs for funds borrowed on its behalf. The two principal corporations, Sask Power and Sask Tel, earned net income at the end of '77, \$22.3 million and \$17.9 million. This of course, is after the payment of all expenses, including debt service charges. However, the advances to the Crown enterprises other than Sask Power and Sask Tel are investments which are theoretically undertaken to — in the words of the NDP, anyway — achieve public policy goals and therefore, remain among that group of assets which the province believes are substantially recoverable or generating a return on investment.

Mr. Speaker, that return on investment has never been adequately calculated, at least not for my satisfaction. Some Crown agencies, if you can believe it, do not even consider interest as an operating expense. Looking deeper into that five-year period which begins on April 1, 1972 and ends on March 31, 1977, the province of Saskatchewan borrowed \$921 million of which over 44 per cent was for the purpose of Sask Power, 22.6 per cent for Sask Tel. In that same period only \$207 million worth of



debt was redeemed. In the same period, the province issued \$627 million in public debentures, \$275 million in Canada Pension Plan and \$20 million in promissory notes to the federal government.

Mr. Speaker, all these moneys were borrowed for the purpose of Crown agencies. The significant point of these numbers is in that five year period was borrow, borrow, borrow and very little pay back, pay back, pay back. In short, Mr. Speaker, this is the legacy of debt to which I referred earlier in the period of March 31, '77 to December 31, the province borrowed \$175 million by way of public debenture and issued almost \$60 million in debentures to the Canada Pension Plan. In the same period it retired only \$25 million of total debt. So the logic question of course, is what do these figures mean to the man on the street.

Firstly, it is highly unlikely that he is even remotely aware of them. And secondly if he was, it is quite probable that he could care less. If he were queried on the subject he would probably answer, well it's not a good situation, but it really doesn't affect me. In that answer lies much of the strength of the New Democratic Party. You have always been shrewder than other political parties in convincing the man on the street that you can give him something for nothing. The truth of the matter is, it shouldn't matter a great deal to that man on the street because the bulk of that debt is on Crown corporations, interest on that debt can only be generated from revenues which come into provincial coffers. Every individual in this province pays interest on this astronomical debt every time he pays a power bill, or a telephone bill, or puts a gallon of gas in his car, or pays the sales tax or his income tax.

Last year alone Sask Power Corporation had a total interest debt of \$80 million. Where did SPC get \$80 million to pay its interest or debt servicing charges? Quite frankly, the only place they could get them was from the users of power and natural gas in the province of Saskatchewan. Obviously, in other words, every time a resident of Saskatchewan pays a power bill a significant portion of that power bill is assessed to accumulate this \$80 million. In other words, that computer bills in the debt servicing charge onto every power bill in Saskatchewan. It has to. Sask Tel is in a similar situation and it must generate about \$30 million in order to pay interest on its long-term debt. Again, where does this \$30 million come from? From the only source it can — it is built into every single telephone bill paid by Saskatchewan telephone subscribers. Where else could it possibly come from? This is only a portion of the terrible debt which is presently being incurred on an on-going daily basis by this government supposedly on behalf of Saskatchewan residents.

It is an interesting question to wonder just exactly how a decision is made by a crown corporation or the government of the day to borrow money. Exactly what processes and procedures are observed? Most people have a great misconception that government business is done within this legislature, this legislature makes all the decisions pertinent to the Government of Saskatchewan residents. What a fallacy that assumption is! What a colossal joke that assertion is! Since 95 per cent of all debt in this province is on behalf of Crown corporations it stands to reason the decision to borrow must be initiated within that Crown corporation itself. Obviously, there must be some program or project which is generally of a capital nature which the corporation in question may wish to proceed with, so internally they make the suggestion that they (being the corporation) need the additional funds. The request goes from the Crown corporation to a new agency that used to be the government's finance office. It is now known as the Crown Investment Corporation. The other request from the Crown corporation is thoroughly scrutinized; the ramifications analyzed and discussed. It is

possible that the request may die there or in fact proceed further up the ladder. I'd like to point out to the people of Saskatchewan that through both of these steps to the Crown Investment Corporation, only bureaucrats are involved at this stage. After Crown Investment Corporation has given its approval, the request to borrow money moves further up the ladder to the Department of Finance. There again the recommendation is thoroughly discussed, analyzed, and scrutinized. I'm sure all the ramifications as to what it would do to the province's credit rating, all the basics as to the wheres and hows that should be done are fully pursued. Again, Mr. Speaker, I would point out that at the Department of Finance, we are still within the bureaucracy. From there, the request goes to Treasury Board, basically a committee of cabinet ministers with an involvement as senior bureaucrats. If it clears there, Mr. Speaker, it goes to the budget speech and on to the legislature. Slam, bang we go ahead and we borrow the money. That, Mr. Speaker, describes the decision-making process of whether money is to be borrowed in Saskatchewan. What is alarming out of that is, what happened to the democratic process? Theoretically there are 61 members here who are ready and willing to be watchdogs on the public's purse. Exactly at what stage were the 61 members consulted? Where did the 61 members in this legislature get the opportunity to question the Crown corporation involved as to why they needed the money; to obtain the specifics of the purpose of borrowing? Bureaucrats made the decision to borrow. Sixty-one MLAs in this Assembly theoretically are to approve it. Yet, Mr. Speaker, nowhere in the chain which I described was there ever an instance where the Crown corporation had to come before this legislature and justify why they should borrow this money and to justify why it would be of benefit to the people of Saskatchewan. In short, Mr. Speaker, aside from a few senior cabinet ministers, there was no accountability in this process of democracy. Of course members on this side of the House are probably going to cry out, did you never hear of Crown Corporations Committee?

**MR. ROMANOW:** — Did you never hear of the Crown Corporations Committee, Colin?

**MR. THATCHER:** — I'm glad that the Attorney General has cried out, did you never hear of the Crown Corporations Committee Colin? I was afraid nobody was going to and it was going to destroy my entire context but thank you, Mr. Attorney General.

With that one, Mr. Speaker, Mr. Attorney General is a tragic joke, because I've served on the Crown Corporations Committee, and I came away with contempt for the entire process. After the Crown corporations submit their annual report to the legislature they take their turns parading to the... well now if the member for Yorkton (Mr. Nelson) will just wait I'm going to tell you exactly what we will be doing with the Crown corporations after 1980 (... inaudible interjection...) I think you speak a little bit later on in this debate. Now, if you could just simply wait your turn and please not be so rude as to interject, you will have your time. And if you'll be quiet I'm going to tell you exactly what a Conservative government would do with Crown corporations.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Mr. Speaker, after the Crown corporations submit their annual report to the legislature, they take their turn parading to the Crown Corporations Committee. They come one year after they have borrowed the money, sometimes almost two years after the basic decision has been made. One after the other they waltz in before this committee. The member for Estevan (Mr. Larter) stole my words, a charade is all that it is.

Mr. Speaker, members of the legislature cannot talk directly to the senior people in

these Crown corporations. Instead, the minister in charge sits in-between, and only the most naive would suggest that a great deal is not lost in the translation from the head of a Crown corporation, through the minister, finally to the committee. And it doesn't stop there. When an embarrassing question is asked, the standard answer is that it is not in the public interest to disclose, not in the public interest to disclose. (... inaudible interjection...) You get that in SEDCO (Saskatchewan Economic Development Corporation); you get it from Sask. Housing Corporation; you get it from SGIO (Saskatchewan Government Insurance Office) and from the Power Corporation — it is not in the public interest to disclose. Mr. Speaker, I say that in this case it is absolute nonsense.

Mr. Speaker, the Progressive Conservatives adhere strongly...

**AN HON. MEMBER:** — Let's go back to the '30s.

**MR. THATCHER:** —... to the view that when public funds are being used the public has a right to know fully and completely how these funds are going to be used when they are public funds. We feel very strongly that the public is entitled to a full and complete accounting of any money that is spent on its behalf, not a year or two years later after it has been spent, but before it is spent.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — We believe strongly that Crown corporations should account directly to this legislature before they borrow money or conversely, before they raise their rates, not long after this action has been taken.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — We believe strongly, we believe it to be essential, since Crown corporations consist of 95 per cent of our debt, we must control the financing of these Crown corporations if ever again we are going to again control our own financial destiny. It was interesting to speculate on the means available to make Crown corporations more accountable to the public.

Under the present system of ownership of Crown corporations the most obvious manner is more direct legislative scrutiny over the operation of Crown corporations. The obvious counter arguments to such an arrangement is, it would be too cumbersome and would not give the Crown corporation sufficient latitude to manoeuvre within its own sphere. There is, of course, the obvious criticism that Crown corporations involved in competition with the private sector, would be through such a scrutiny, vulnerable to the counter moves of its competitors.

**MR. COLLVER:** — Nonsense.

**MR. THATCHER:** — I agree, fully, with my seatmate the member for Nipawin (Mr. Collver) that such an argument is nonsense because we have two classes of Crown corporations in this province — those which have a monopoly, namely, Sask Tel and Potash Corporation of Saskatchewan (PCS) and those who directly or indirectly compete in the market place. The latter composes as Crown corporations such as SEDCO, Potash Corporation, Saskatchewan Housing Corporation, etc.

**March 12, 1979**

In the last provincial election campaign the Progressive Conservative Party proposed a dramatic solution to the perplexing problems which would exist of how to dispose of a Crown corporation such as the Saskatchewan Potash Corporation.

Without rehashing points of debate for both sides on the potash takeover, there has always been a firm commitment on the part of the Progressive Conservatives to remove Sask. Potash Corporation from the realm of a Crown corporation. This philosophy becomes rather interesting when one speculates on the ramifications of not only including Sask. Potash Corporation, but also a variety of other Crown corporations operating in a similar manner in the marketplace, as Sask. Potash Corporation.

Our proposal on these types of Crown corporations is really quite simple, that is, we would transfer ownership of the corporation from the government to the people.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Now, the government scoffed at that idea and they still are and they are in the process. Now, of course, some of those scoffing are, shall we say, scoffing from a limited capacity, but nonetheless still scoffing. The most common attack is — the people already own it. In essence you are giving them what they already have. Not quite, Mr. Speaker. In fact, not even remotely so.

The idea presented by the Progressive Conservative Party has now been borrowed by the Premier of British Columbia.

He is in the process of redistributing the Crown corporations of British Columbia directly to the taxpayers. He is making the taxpayers of British Columbia shareholders in their corporations. Premier Bennett is quite candid and open as to where he got the idea.

At a press conference in Victoria about a month ago, he indicated he got it from the Progressive Conservative Party platform in Saskatchewan and expanded upon it. Now this may be of interest to the government across the way who scoff at the suggestion, because the NDP under Mr. Barrett scoffed out there. However, later they did pledge they wouldn't tamper with the concept should they win an election. That's quite a turn around isn't it?

**MR. ROMANOW:** — Where?

**MR. THATCHER:** — The Attorney General says, where does he say that. I regret that I don't have the clipping but it is in the Globe and Mail. For the Attorney General's edification, I would be happy to produce it. No doubt the Attorney General then will want to go right to work and draft legislation for such a move in Saskatchewan.

The success of this plan in British Columbia could be a great eye opener to those of us in Saskatchewan because we are now going to have an opportunity to view from a distance the workings, pro and con, of this election promise of the Progressive Conservatives if they had been elected. I will predict that Premier Bennett will be elected and that we will have a first hand opportunity to view this procedure in operation.

Very simply, what happens is that the Crown corporation has its assets disbursed in the form of shares directly to the taxpaying public and there is nothing very dramatic about that because the tax-paying public has already paid excessively high taxes to own that corporation. In effect, they have already paid for it so what is dramatically wrong with allowing the people to directly own it?

**AN HON. MEMBER:** — You don't say, disbursed, you say, break down.

**MR. THATCHER:** — The difference is that under the present system, the system that we have in Saskatchewan, the people have no direct access or control to a Crown corporation. The notion that they have that access through their elected representative is nonsensical. By giving them a direct share in their Crown corporation, they own that share. They can sell it, they can trade it, they can buy more. It is entirely their choice.

**MR. COLLVER:** — And they get information.

**MR. THATCHER:** — But by being a shareholder they have direct access to go to that board meeting. They have a direct say in who their board of directors will be — not a group of government fat cats but who they say it is going to be because the board of directors is responsible to the shareholders in that corporation. The difference is the shareholder — in this case the taxpayer who has direct access to the board of directors and consequently, the people who manage that Crown corporation, by the simple virtue that they are shareholders.

To compare this concept to what is now in existence in Saskatchewan and what we are proposing is to compare night and day. The difference is that under our system the taxpayer controls his own corporation. Under our system the Crown corporation becomes a public corporation and a genuine public corporation. The possibilities become endless as to what can be done with such a concept. I predict that within the intervening years you will see a variety of ideas within this concept. That of course, is where the government in question demonstrate some foresight, boldness, initiative and some imagination. Some governments will no doubt choose to disperse half the shares to the public; the other half may well be placed on the stock market and traded through normal channels. The potential for raising money for capital projects within the province becomes endless and under such a system, Mr. Speaker, expensive and needless foreign borrowing may very well no longer be required. However, such a plan requires the giving up of power by a government and it requires empires — empires that have been built not only by senior cabinet ministers but also by empire-building bureaucrats — to be disintegrated. These empires would have to be destroyed and placed in the benevolent hands of the tax-paying public. Such a concept, of course, is totally alien to the present government. Can you imagine an Alberta gas trunk under an NDP government? This is a totally foreign concept to a socialist, because socialism has not had an original idea in 100 years. Socialism is and has always been state control and class bitterness. Innovation and foresight have never been strong on the priority list of a socialist. Consequently, an alternative such as ours which requires imagination will never see the light of day in Saskatchewan under a repressive regime like the Blakeney government.

Mr. Speaker, allow me to turn now to the operation of what is known as the heritage fund. Formerly known as the energy and resources fund, the Saskatchewan Heritage Fund was established last year under its new name. In taking over the assets of the old energy and resources fund, the government projects that the Saskatchewan Heritage

**March 12, 1979**

Fund will have assets of over \$722 million at the end of fiscal 1979. Mr. Speaker, \$722 million is a lot of money and an impressive figure — impressive at least until one looks at the summary of estimated budgetary revenues and expenditures of the heritage fund. Seven hundred and twenty-two million placed in the bank on today's interest rates would easily bring in \$80 million. Place it in any bank, any credit union or any financial institution. Even with socialistic financial expertise, or lack of it, you could make an easy \$80 million plus.

Throughout the throne speech, government members have been telling us about the wisdom of the investments made by the socialist planners, insuring this inheritance to future generations. However, when the \$722 million was evaluated by the Department of Revenue Planners — who tend to be a trifle more pragmatic and hopefully more businesslike than the NDP government — they projected investment income in the form of interest derived from this figure of \$722 million, to be the grand total of \$4,350,000. Now in straight financial language that is a return of half of one per cent — .5 per cent. I invite the members opposite to examine that one for themselves and not take my word. You can find it on page 112 of departmental estimates for the fiscal year ending 1980. I recommend that for government members, that is for those of you who may read.

As I indicated, Mr. Speaker, with no planning or financial expertise and simply placing this money in a bank, credit union, any trust company, there is an easy \$80 million. But by turning it over to Saskatchewan planners, theoreticians, we can look forward to a net return of less than half of one per cent or a little over \$4 million.

Now, Mr. Speaker, we should examine what the Government of Saskatchewan considers as an asset in the heritage fund. The Saskatchewan Potash Corporation is considered an asset in that figure of \$722 million. Obviously the Department of Revenue people don't feel that the Potash Corporation will generate a profit in this fiscal year. Well over \$400 million of this \$722 million is considered an asset and it is invested in the Saskatchewan Potash Corporation. By the end of this fiscal year very close to \$175 million will be in the hands of the Saskatchewan Mining and Development Corporation, which again the Department of Revenue people do not feel will generate any significant income to the heritage fund. Both of these corporations have received vast sums. While the government refers to these advances as loans, they are most certainly not loans in any accounting sense. There is no rate of repayment. There is no rate of interest being charged to generate revenue to the Saskatchewan Heritage Fund. They are merely, in government terms, interest free loans that should be repaid at some unspecified future date. Translate that into English and it means the bulk of the heritage fund has already been given away to Crown corporations that will never pay their original advances and will probably never even pay interest on these loans. In other words, this \$722 million figure is only a figment of some socialist theoretician's mind.

The government projects the heritage fund will receive \$510 million from what they consider non-renewable resource revenue. With that meagre \$4 million in interest from already existing investments, we have total budgetary revenue to the heritage fund of \$515 million. The bulk of this revenue is derived from oil.

The government has made a great deal of noise as to the increased activities in oil exploration. It would not appear the Department of Revenue people share their optimism since they anticipate revenues only 10 per cent higher than those received last year. Since the price of oil has risen much more than 10 per cent, it would seem the

Department of Revenue planners actually anticipate less oil activity.

It must be noted the government is anticipating potash revenue into the heritage fund of \$113 million. Last year, the province received \$108 million, so this year all the propaganda we have heard about potash and its vast benefits to Saskatchewan, the department of revenue planners see only slightly more than a 3 per cent increase. Mr. Speaker, 3 per cent! Not a number that would make anybody particularly ecstatic, that is unless he was an NDP planner and unlikely to know the difference.

Mr. Speaker, out of the \$515 million that flows to the heritage fund, the government will be directly removing \$328 million to the consolidated fund and exactly what does that mean? It means very simply that this propaganda that this government is storing vast sums of millions of dollars for the use of future generations is a myth. Revenues coming from our non-renewable resources are being used to balance the day-to-day and year-to-year financial operations of this province. As a matter of fact, Mr. Speaker, 82.5 per cent of the revenue from our non-renewable resources, is going into general revenue, basically the consolidated fund.

At the risk of sounding a trifle cynical, may I ask the minister — what heritage fund? Mr. Speaker, the Progressive Conservative Party believes the heritage fund should be used in the exact manner that the name indicates — a heritage or a legacy for our children. A fund of this nature such as that possessed by the province of Alberta, would ensure a high standard of living for future generations in Saskatchewan. Squandering 82.5 per cent of it on government enterprises on a day-to-day basis simply does not make sense to the Conservative party. However, Mr. Speaker, were this fund administered as a true heritage fund in the strictest sense of the word and if these funds were not made available for the day-to-day inefficiencies of the NDP government, we would have in fact seen a deficit for the coming year not of \$49 million, as projected by the Minister of Finance, but a figure of \$377 million. Mr. Speaker, the minister says we have an actual deficit of \$49 million in day to day figures. But without taking \$328 million from the heritage fund, it would be in fact, \$377 million. We have listened to the NDP pat themselves on their backs for this great financial expertise. I respectfully suggest to you, Mr. Speaker, that they have stolen \$328 million from non-renewable resource revenue and in fact are taking us down the road to fiscal disaster.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Mr. Speaker, I say to the Assembly, the government has squandered it on silly, unproductive duplications of already existing investments. By the use of these funds, they have presented a picture of instability to private investment which otherwise might be in Saskatchewan for exploration purposes. Such private investment would make it unnecessary to dip into the heritage fund to duplicate what the private sector may very well have been willing to do, given an appropriate climate.

Mr. Speaker, one of the most unfortunate aspects of the 1979 budget for residents of Saskatchewan is the return of the sales tax from 3 per cent to 5 per cent. This has been in effect since January 1, and the Progressive Conservative Party in no way supports the concept of a sales tax. We are committed, and have always been committed, to its removal. The Minister of Finance (Mr. Smishek) has indicated the 5 per cent sales tax will bring in about \$239 million in revenue. As we suggest its removal, the minister can hardly contain himself from jumping to his feet and asking us where we would get the funds to do so, and we have a very simple and concise answer.

**March 12, 1979**

**MR. ROMANOW:** — Where would you get the funds to do so, Colin?

**MR. THATCHER:** — I really anticipated that question from the Minister of Finance, and with the Attorney General (Mr. Romanow) asking it, it's thrown me completely off-guard... (inaudible interjection)... I must say I'm very pleased the radio has ceased to operate, because my voice is just about gone... (inaudible interjection)... Mr. Attorney General, I've lost my voice now. In answer to the Attorney General's question, I would say that we would do something that neither the Attorney General nor the Minister of Finance would have any concept of. We would run an efficient government and that is something you would know nothing about.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Because, under a Conservative government, the economy would be stimulated to the point that there would again be confidence in Saskatchewan, and retail spending would increase dramatically. The spinoff effects from such would be more than enough to make up this amount of dollars.

I am pleased to see that the Minister of Finance is joining in. I was concerned after the question period last Thursday when the Premier took all his questions and desperately tried to soothe his, shall we say, trifely ruffled feathers. Once again his normal energies are returning. I hope we can look forward to his expertise in the coming few weeks of this legislature... (inaudible interjection)... But more important, Mr. Speaker, if I may return to my text, is that the Conservative government would trim the fat from the budget and frankly it just bubbles with the stuff.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — We reject the concept of a sales tax being the most equitable tax levied. We contend that a sales tax is basically a tax on the poor. If you're going to buy a large item for example, a car, and you're going to buy it straight out — put up about \$8,000 — obviously \$400 must be paid directly to the Minister of Finance in the form of a sales tax. Someone who is in a high income bracket will pay the \$400 and dismiss it as a nuisance item. But somebody who is not in a high income bracket that \$400 may very well be the determining point as to whether they can afford to make the purchase or not. I used the example of \$8,000. You don't get much car for \$8,000, Mr. Speaker.

We say that it is a further inequity since it is not tax deductible at income tax time, however, it is tax deductible for a business or for a hated multinational. Why not an individual? Why not an individual? Why should an individual not be able to deduct sales tax from his taxable income? An inconvenience for your computers, perhaps, and therein probably lies the greatest inequity.

To go a little further, I would suggest to this Assembly any provincial sales tax, regardless of the province in which it is levied, is damaging to this country's competitive position. The reason is really quite simple. At the manufacturer's level the federal government of Canada presently levies a federal sales tax. This is placed right at the manufacturer's level and any subsequent taxation by a provincial government is taxing that portion which the federal government has already collected with the subsequent addition to the price of that article.

In other words, Mr. Speaker, we have the concept of a tax on a tax. It is safe to say that it harms our competitive position, particularly where we go into competition with the



United States because the United States of course has no federal sales tax. However they have never been foolish enough to stoop to that asinine Canadian concept of taxing taxes.

Furthermore, Mr. Speaker, in the United States the sales tax is deductible from your federal income tax if you keep your receipts. No such benevolence is available in Canada. This is just one of simply hundreds of silly duplications which go on between provincial and federal governments.

Mr. Speaker, in leaving this area I wish to make it very clear that the Progressive Conservative Party stands categorically for the removal of the sales tax. One year ago we applauded the government's move to reduce the sales tax from five to three. We condemn the government in the strongest possible terms for restoring it to that level of five per cent. We consider it a most regressive step. In closing, Mr. Speaker, I believe it is incumbent on me as financial critic for the opposition to comment on the preceding 24 hours prior to the budget.

I believe all members in this Assembly look at that period of time with some sympathy. The members of the government, on the government's side of the House, know much more about it than we in opposition. Quite frankly I find that the excuses offered and the reasons provided just a little too quickly, just a little too conveniently and the pieces fitting together just a trifle too precisely.

**AN HON. MEMBER:** — Did you write that letter, Roy?

**MR. THATCHER:** — We will really never know for certain. However, there was never any doubt in my mind what the course of action for the minister should be. There was never a shred of doubt in my mind that the minister would resign. (... inaudible interjection...) It seemed to be only a question as to how it would be done. (... inaudible interjection...) I fully expected a different minister to read that budget speech last Thursday. When this didn't happen I assumed the Minister of Finance would read the budget speech and conclude by announcing his resignation. (... inaudible interjection...) The integrity of the sensitive position of Minister of Finance required it, and tradition demanded it. Instead, the Minister of Finance violated some 500 years of tradition. And I say to the Minister of Finance, far better men than you have made smaller errors and resigned.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — The minister smirks at this and (... inaudible interjection...) that's fine, but I would just say to the minister, by your actions you have brought shame to all of us in this Assembly.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — All 61 members in this Assembly must share some of the shame that you have brought to this Assembly. In recent days the minister has been subjected to a great deal of scorn, some in the public areas, much of it in the corridors...

**AN HON. MEMBER:** — And by the backbenchers.

**MR. THATCHER:** —... and a great deal of it from members of his own party. (... inaudible

**March 12, 1979**

interjection...) Members behind you are really not proud of you, even though to your face they may indicate support. Privately you have embarrassed them. (... inaudible interjection...) For a variety of reasons the public does not look favorably on politicians. The public perception of politicians, whether we are talking provincially or federally, is as a group of individuals with their hands in the cookie jar and paid exorbitant salaries to live a life of revelry. Some of this public perception is deserved — most of it is not, but nonetheless it is there. The Minister of Finance has added fuel to that public perception by his actions last week. All politicians in Saskatchewan suffer in some way by those actions. Mr. Speaker, the Minister of Finance is most deserving of the contempt and scorn that is being heaped on him both publicly and privately. It is not the style of the Premier of Saskatchewan to act dramatically and decisively and fire a minister on the spot. However, it is his style to make changes when key people have not performed in accordance with appropriate standards. (... inaudible interjection...) Having said that, I'm sure this Assembly and specifically the Minister of Finance, are all aware that the present minister has read his last budget speech in the province of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Mr. Speaker, we obviously cannot support the concept of this budget. As we move into estimates the opposition will be providing a variety of amendments and motions in the course of our financial action. I thank again the member for Nipawin (Mr. Collver) for according me the honor of replying to the 1979 budget speech.

**SOME HON. MEMBERS:** Hear, hear!

**HON. E.B. SHILLINGTON (Minister of Education):** — Mr. Speaker, I want to begin by saying how pleased I am to participate in this debate and to speak in support of the budget. I shall have more to say about that in a moment. I want to begin by congratulating you on your elevation to your high office. I think I speak for most members of the House when I say that during the four sessions that you have presided over the Assembly as Speaker you have conducted yourself with a sense of dignity and fairness that has brought prestige to your office and I think contributed in no small degree to the efficient and effective operation of the Assembly.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — I want to express my appreciation as well to the constituents of Regina Centre who re-elected me on October 18, 1978. I look forward to representing them in this Assembly.

**AN HON. MEMBER:** — Was it a narrow win?

**MR. SHILLINGTON:** — No, it was very tight. Reflecting on that election for a moment, Mr. Speaker, I think it is fair to say that I have not, in recent times, felt so keenly about an election. Throughout the campaign I have to admit to a sense of uneasiness. My anxiety was borne in part out of the recognition of what was thought to be a Conservative tide sweeping the country (and indeed the world). More fundamentally there seemed to be an elemental anger in the public which was causing governments of various complexions to be defeated across Canada. When people would ask me how the election was going I was fond of saying to them that it seemed to be going well. But you remember, in the last two and one-half years, seven governments have gone to the

polls and five have been defeated. One was returned to a minority government and one was returned with a very narrow margin.

I also felt uneasy, Mr. Speaker, although very proud, because we fought the campaign on our issues. We didn't run from our philosophy or our convictions. We talked about ownership and control of resources; we talked about expanded health care; expansion of other social services. In short, we talked about issues which had made convenient targets for Conservatives elsewhere.

We also talked, Mr. Speaker, about leadership and that didn't make such a convenient target for the Conservatives. But we did set before the public an alternative and they made their choice.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — The overwhelming victory on October 18 says something pretty complimentary about Allan Blakeney and his leadership.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — In a sense it changed my perception about the mentality of the voters as well, Mr. Speaker. I think I had accepted the suggestion that the Canadian voters were against big government. I think more correctly the Canadian voter is against ineffective government. If that government is also big, it makes it all that much more galling. The NDP government of Saskatchewan, which I think had proved to be effective, escaped the wrath that so many other governments incurred.

Mr. Speaker, this voter reaction against ineffective governments should give the federal government cause for reflection. Indeed, Mr. Speaker, all that is saving them from sure destruction is a feeling by many Canadian voters that Joe Clark is not likely to be much more effective. Indeed, many Canadians, Mr. Speaker, are coming to the view that he would be no improvement at all. In such an atmosphere, Mr. Speaker, the New Democratic Party has reason to be optimistic. Ed Broadbent speaks of economic issues with a clarity and a sure feel that would do either one of the other leaders proud.

Mr. Speaker, when the Minister of Finance (Mr. Smishek) delivered his budget to this Assembly last Thursday, the people of Saskatchewan were once again reminded of the benefits which result from careful economic planning. They learned, Mr. Speaker, that the confidence they had placed in the New Democratic Party on October 18 was not misplaced. They learned that the budget of 1978 was no fluke and I think they knew they had made the right choice. Mr. Speaker, the budget of 1978 was the best this province had seen in a long time. It was applauded by financial critics throughout North America. This government firmly established its national and international reputation as being fiscally competent, efficient and forward-looking.

This year, Mr. Speaker, the task was a bit more difficult. Economic realities of 1979 have driven many provincial governments to the wall and driven them to the point of panic. Across the country we see governments of different complexions going through a frenzy of indiscriminate cuts and cancellations but there was no panic here, Mr. Speaker. The 1979 budget makes that perfectly clear. Sound economic planning using our resources in a equitable and efficient way has allowed the Minister of Finance to produce once again a budget which was a credit to him and a credit to his government.

**March 12, 1979**

I think, Mr. Speaker, it is also a credit to the people of Saskatchewan. I believe the Saskatchewan people are different. I believe they demand more of government, they expect more and they are generally not disappointed.

Mr. Speaker, I listened with interest to the comments of the member for Thunder Creek (Mr. Thatcher). Indeed, I was reminded, Mr. Speaker, of the fable of Rumpelstiltskin. I think it is fair to say that not in recent times has there been another effort like that to re-enact the fable. Rumpelstiltskin, you will recall, was the man who sought to spin straw into gold. When I heard the member for Thunder Creek (Mr. Thatcher) trying to make an issue out of this province's borrowings, as I say, I was reminded of the fable of Rumpelstiltskin. I am not sure what audience he was addressing, nor am I sure where he got his advice. I think it is fair to say that he did not get it from such financial magazines as the Financial Post or Financial Times.

I could have brought in a nearly endless number of articles on the Saskatchewan economy. Indeed, most of those economists hired by the Financial Post, do not share the philosophy of this government, but almost all of them give this government high marks for its management of the fiscal and monetary affairs of the province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Mr. Speaker, at the top of the list of things they approve is the way this province has managed its borrowings. Mr. Speaker, we have striven to keep our deficits to a minimum, to balance our budgets. And we have had a great deal more success at this than any of the Conservative governments across Canada.

Mr. Speaker, the last time I looked at a comparison of Saskatchewan government borrowings we were the second lowest. Almost all of that debt which was borrowed was not borrowed for operating purposes; it was borrowed for capital purposes; it was borrowed to build up, Mr. Speaker, the economic infrastructure of this province.

Mr. Speaker, we make no apology for borrowing money for the SPC, so that they may ensure to the province of Saskatchewan our energy needs of the future. We make no apology for borrowing money so that SaskTel may take over rural telephone companies and provide them with the kind of service that the urban people have come to expect. Nor do we, Mr. Speaker, make any apology for spending money to purchase the equity in mining developments. And the logic of the last election would seem to be that the people of Saskatchewan approve of it as well.

Mr. Speaker, I was interested in the member for Thunder Creek's comments about the education budget. I want to get on, in a moment, in a more general way. I will suggest, Mr. Speaker, that this government, this year, has been more generous to school districts than any other government in Canada — all but one of which is Conservative — and I will suggest that we have done that over a period of years such that we have the finest educational system in Canada.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — I just want to deal for one moment with a particular school board that the hon. member referred to. There is an old saying, Mr. Speaker, that my father used to have — figures don't lie, but liars do figure. It is true, Mr. Speaker, that the Thunder Creek school division had a fairly low increase in percentage terms in their budget, an increase that amounts to, in fact, 2.63 per cent. But, Mr. Speaker, this

budget, this board had a very substantial decrease in enrolment and that's one of the factors that goes into making up a budget and I'm sure the member for Rosetown-Elrose will appreciate. In fact, the grant per pupil in this division, has increased by 11 per cent. Mr. Speaker, the hon. member for Thunder Creek did not bother to inform the Assembly of a grant which also went to his riding to the division called Buffalo Plains. Buffalo Plains School Division got an increase of 25 per cent in its grant. The hon. member for Rosetown-Elrose was referred although he did not speak. And it is true that this year they did have, in actual fact, a decrease in their grant. But their enrolment dropped by over 100 per cent. Last year, Mr. Speaker, this division received a 12 per cent increase. Some more of the facts that were conveniently neglected by the member for Thunder Creek.

**AN HON. MEMBER:** — How can you drop enrolment by 100 per cent?

**MR. SHILLINGTON:** — If I said 100 per cent, I meant enrolment of over 100 pupils.

One of the other comments which the member for Thunder Creek said which bothered me and he has said it often in this Assembly, Mr. Speaker, is that the Legislative Assembly is irrelevant to the workings of government. I've heard him say it before and I find the remark very, very disturbing. I find it disturbing for anyone who would seek to inherit the mantle of John Diefenbaker. I don't find it particular surprising, Mr. Speaker. I think it's fair in observing the conduct of members opposite that they all regard the Assembly as irrelevant and I think, Mr. Speaker, their effectiveness shows that. The truth is that the Crown Corporations Committee gives the members opposite the same opportunity as the legislature does; the opportunity to make criticisms known to the public. It's as good a stage as the opposition get and if you cannot use that effectively, either it means that you're not effective or that your arguments are found wanting by the public. I don't think I'd be very proud of either claim.

I might add, Mr. Speaker, that there is an opportunity to debate borrowings in the House, contrary to the belief of the member for Thunder Creek. He may well have been absent last year when this came up...

**AN HON. MEMBER:** — He's absent all the time.

**MR. SHILLINGTON:** — No, I wouldn't say that. I wouldn't say that he did it intentionally. On page 105, 106, 107, 108, and 109 of the estimates, this House will deal with loans, advances and investments. If the hon. member wants to debate, for instance, an estimated borrowing by SPC of \$150 million in the 1978-79 year, he's got the opportunity to do it.

Mr. Speaker, as Minister of Education, as Minister of Culture and Youth and as Minister in charge of Libraries, I am particularly pleased with the budget brought down by the Hon. Walter Smishek. This budget will support and enhance programs of the departments of which I am honored to represent and permit us to maintain our enviable reputation as providers of service to people, even in times of restraint.

Mr. Speaker, I want to say that as the member of the legislature for the constituency of Regina Centre, I am particularly pleased with the budget. The benefits to my constituents are many. I noted that the financial editor of the Leader Post characterized the budget as 'pennies to the poor'. Mr. Speaker, this budget does concentrate on giving assistance to low income people and that is of special interest to my constituents.

Mr. Speaker, \$15 million in allowances paid on behalf of residents of nursing homes, a 30 per cent increase in the funding of a Saskatchewan student bursary program, reduced income taxes for low and middle income families, increased mortgage assistance, 4,600 summer jobs for students — and the list goes on, Mr. Speaker.

For the benefit of members not familiar with Regina Centre, it is fair to characterize my constituency as having one of the lower per capita incomes of any riding in Saskatchewan. It also has the largest percentage of people who rent their accommodation, Mr. Speaker, and the \$7.5 million which has been provided to include renters in the property improvement grant is of special interest to these people. A lot of the remaining people who do own their accommodation are senior citizens and they are interested in the rebate on the school taxes. Mr. Speaker, if this budget only offers 'pennies to the poor', there are an awful lot of those pennies.

Mr. Speaker, members opposite have exhibited a good deal of interest in the plans of the government for celebrating the International Year of the Child. Mr. Speaker, as the minister in charge of a department which has a fair amount to do with services to children, I would like to assure hon. members opposite that our major commitment to children this year is what it has always been — the provision of high quality services which are directed to meet the widely varying needs of all children throughout the province — programs which are carefully planned, firmly established and permanent, Mr. Speaker.

If other governments in Canada and throughout the world had the range of services that exists for young people in Saskatchewan, there might not be quite the need for an International Year of the Child. If other governments had a dental plan, there might be less of a need for an International Year of the Child. If other governments had the range of health services for young people that exists in Saskatchewan, there might be less of a need for an International Year of the Child. If other governments had the range of social services that exists in Saskatchewan we might not need the International Year of the Child. Mr. Speaker, if other provinces had the high quality education which people in Saskatchewan have come to regard as their birthright in our schools, a lot of our goals in the International Year of the Child might well have been attained.

Mr. Speaker, we are not resting on our oars. As the minister in charge, my colleague for Saskatoon Buena Vista (Mr. Rolfes), has pointed out, we are spending more in this province on the International Year of the Child, than any other province in Canada. And I think I'm safe in predicting that our program will be more imaginative and more effective than that of any other province, yet more evidence, Mr. Speaker, that this province is concerned about the welfare of its young people. Mr. Speaker, neither are we satisfied with the services we provide through regular programs; we constantly seek to improve them. In the area of education alone, we are advancing on several fronts in an attempt to improve the education in our schools — and I've mentioned a number of such thrusts.

Project Lighthouse, is a new approach to physical education, which emphasizes fitness and participation rather than competitive sport. And it is receiving increased support from schools. (... inaudible interjection...) Mr. Speaker, by the end of this year over 25 per cent of our schools will be enrolled in project Lighthouse. It doesn't mean that competitive sports are eliminated; it does mean that general good health and participation are emphasized.

Over the past year, Mr. Speaker, special attention has been drawn to minority language education. The right to an education in the French language is important to many French speaking citizens. Mr. Speaker, in part we've emphasized education in the French language because we believe it's essential to the survival of our nation. Canada is a country with two founding races, and if we attempt to deny the dual heritage of the nation, we may well destroy it. Our emphasis on French language education is one the ways that we seek to assure French people in Canada that we recognize the special nature of this country.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — In part, Mr. Speaker, we encourage the use of the French language for the same reason we encourage the use of Ukrainian language, use of the German language, because we seek to encourage the use of minority languages by Saskatchewan people. We believe that it's essential to the preservation of their heritage for people to preserve their language. We believe that it is essential that people preserve and understand their heritage if they are to understand themselves and preserve their community, their province and their country.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Mr. Speaker, our approach has been to recognize multicultural character of our province just as we recognize the bicultural nature of nation.

Mr. Speaker, continued emphasis has been placed on safety education and driver education in our schools. A province-wide testing program has been initiated, and I'll have more to say about that later. Services at the correspondence school, Mr. Speaker, have been made available free of charge to senior citizens. Mr. Speaker, education services to handicapped continue to expand as increased fiscal and consultative support is provided to boards of education. Mr. Speaker, special education, as we call the education available to handicapped children in the Province of Saskatchewan serves as a model for the rest of the country. I will have more to say about our record later.

Mr. Speaker, 1978 might well be remembered in educational circles as the year of the Act. The Education Act, 1978, represented the conclusion of three years of study, research and public discussion. That process has two significant results. First, we have as of January 1, 1979, the most up-to-date and forward looking educational act in Canada. Second, and perhaps more important, the process was a major education lesson in school law. Teachers, parents and trustees and government officials know more about school law now than they ever have before.

In spite of the immense complexity of the legislation its implementation is proceeding quite smoothly and that is nothing short of amazing, considering the size and scope of the legislation.

I am particularly pleased, Mr. Speaker, with the way the boards of education responded to the opportunities afforded by the act to involve parents in the business of education. I see boards of education taking this seriously and I am delighted to see that trend. If those sections can be developed which size parents an opportunity to be involved in the schools we'll truly have a great educational system.

Mr. Speaker, I said earlier in this address that the Department of Education continues to provide the best overall education in Canada. Education in the province of Saskatchewan is big business. In the 1979-80 school year the Government of Saskatchewan and the boards of education will spend more than \$350 million providing education to children attending elementary and secondary schools. I said, Mr. Speaker, very purposely that the government and the boards of education make this expenditure together. One of the reasons that our educational system is so effective is that contrary to the assertions of members opposite local government, local boards of education, make most of the critical decisions in education. Indeed, the Department of Education is in many ways a resource centre and provides support to these boards so they can deliver the services which are expected and needed.

Mr. Speaker, our new legislation recognized an increasing role, an increasing role for boards of education, an increased local autonomy. That's in keeping with this government's belief that decisions are best made if they are made by those who are closest to the action.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Our legislation recognizes that in most instances boards of education are a lot closer to the action than the department or the minister or the Government of Saskatchewan could ever be. In fact, Mr. Speaker, the education act goes one step further. It permits and encourages boards of education to delegate their functions to local boards of trustees and to local advisory committees in the cities to the level of the individual. The Saskatchewan school system, I think, is an excellent example of central and local governments working together co-operatively.

Mr. Speaker, I suppose it would come as a surprise to many Conservatives here and across Canada to learn that local autonomy means very little unless those people who have the mandate to make the decision also have the resources to carry out their decision.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Our foundation grant approach is designed to provide boards of education with the resources necessary to provide the kind of services which are essential to each school district... (inaudible interjection)... Mr. Speaker, I would invite the hon. member to stay in his seat. If he had stayed in his seat, he would have had his answer... (inaudible interjection)... Perhaps, Mr. Speaker, the legislature would like to hear that portion of my speech again? This year, our unconditional operating grants to the schools will amount to more than \$220.5 million. Mr. Speaker, that represents an increase of 7.6 per cent in our grants in 1978, and that compares very favorably with such niggardly amounts as 4.3 per cent in Ontario or 6 per cent in Manitoba. In fact, Mr. Speaker, I can say that in percentage terms, our increases are the highest in Canada, with the possible exception of Alberta, whose figures we don't yet have.

Mr. Speaker, we're working closely with boards of education in dealing with the problems they face. If you ask rural trustees what their primary problem is, I think most would answer declining enrolments. In our grants to schools last year, we recognized that some rural boards were facing some serious financial problems because of declining enrolments and increasing school costs. To deal with that problem, we've strengthened support to rural boards by providing increased funds in their grants to



cover sparse populations and declining enrolments, and we've maintained that commitment in 1979.

Mr. Speaker, this brings me to a primary principle of education in this province — one that I may say in its inception the old line parties fought tooth and nail. It's a fundamental belief of this government that it's only in education that modern day Saskatchewan can find the key to achieving some semblance of equality for the young. We refuse to accept any inequality in our schools and my reading of the record, Mr. Speaker, shows that there was a time when educational services in this province were related pretty directly to the size of the community for which they were provided. The smaller the community, the smaller the school, the smaller the curriculum, and the smaller the library.

It's also my reading of the record that the pain and anguish which accompanied consolidation and the establishment of large districts eventually turned out to be all worthwhile with the realization which was slow in coming in some circles that the goal was equality. Yes, Johnny and Susie might have to travel an hour on a bus but there was a direct benefit in better schools, better courses and better libraries. This struggle for equality, Mr. Speaker, continues to the present day.

For instance, we recognize rural transportation costs. In 1979 the Government of Saskatchewan will provide more than \$32 million which will cover virtually all of the transportation costs of students going to centralized schools. Mr. Speaker, our objective is to assist boards of education to provide high quality education on an equitable and equal basis. We are attempting to achieve equality of educational opportunity without placing an impossible tax burden on the residents of our province and particularly the residents of poorer regions of the province. As most hon. members will know, our foundation grant system is designed to provide the most help to those areas with the lowest property assessments. This, Mr. Speaker, is but a continuation of the work which began with the consolidation of schools in the mid 1950s.

The hon. member for Thunder Creek (Mr. Thatcher) who is, I see, still in the House will be relieved, Mr. Speaker, to know that the recognized per pupil rates have increased very substantially... (inaudible interjection)... I guess he doesn't want the relief that this feature provides. With the greatest increase coming in Grades 1 to 6, where the recognized rates are increasing from \$1,210 per pupil to \$1,378. That represents an increase of almost 14 per cent, Mr. Speaker. We have increased the rates for high schools by 12 per cent. In addition we have increased substantially the number of urban high school students who will be recognized at the comprehensive school rate and I know city boards will be pleased with that.

A few moments ago I was talking about the grants in support of rural transportation. We also provide grants in support of urban transportation and these grants are designed to cover transportation services for handicapped students who are unable to get to school on their own. Or it might cover non-handicapped students who are going to designated schools or who are going across town to make the best use of facilities or programs. These grants, Mr. Speaker, were increased by 100 per cent this year and again that covers most of the cost of urban transportation.

Mr. Speaker, every resident of Saskatchewan has the right to be justifiably proud of the education which we provide for handicapped people. We call this 'special education' and our services are unquestionably the best in Canada. Indeed, we are number one and the next best province might be fourth or fifth — there is no one who is second,

**March 12, 1979**

third or fourth. Mr. Speaker, we have legislation which says every child is entitled to an education appropriate to his or her needs and so do some other provinces. But unlike other provinces, Mr. Speaker, we have made the resources available to school boards so that their legislation can be put into effect.

With department support, Mr. Speaker, boards of education are able to offer programs in their schools which meet the needs of the blind, of the deaf, of the physically handicapped, of the learning disabled and even the most severely retarded.

The 23 development centres which are operated by boards of education or parent management boards and supported by the Department of Education provide programs to children who, in any other province, would have to be put into an institution.

Mr. Speaker, by taking advantage of a wide range of sophisticated electronic and computerized equipment and the consultative expertise of the Special Education Branch of the Department of Education most hearing impaired and visually impaired students are taught right in the regular classroom and that is very important for their social development.

Physically handicapped children can also be accommodated in the regular schools providing the schools don't have impossible barriers to crutches and walkers and wheel chairs. We will continue, Mr. Speaker, to insist that we receive the utmost co-operation from the boards to insure that physically handicapped children can get in and out of schools.

Our objective, Mr. Speaker, and we're very close to achieving it, is to provide a range of services in each of our eight educational regions which will provide, as close to home as possible, an appropriate program for each and every handicapped child. We're reaching that objective in two ways.

Firstly, we recognize that special programs are necessary and we fund them. A grant of more than three and a half times the regular rate is given to the school boards. That means, Mr. Speaker, that a board of education will receive between \$3,751 and \$4,994 per pupil per year for each severely handicapped child in the system. I say that that is without parallel in Canada.

The second way we're reaching this objective is through careful development of regionally-based special educational services. During the past year we've been able to place, in each of our eight regional offices, a regional co-ordinator of special education who works with the board of education, with the schools, with the teachers and with the parents.

In addition, in 1979, each of our regional offices will have an educational psychologist. I should add that those positions have been transferred from the Department of Health.

These field services are without parallel in Canada. Indeed, I have known mothers and fathers, whose companies wanted to transfer them to other provinces, who refused to transfer because in no other province in Canada could their children get the kind of educational services that they could in this province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Mr. Speaker, as we look into the coming year, we can expect to see within the department the development of expanded minority language education services. We will expect to see the active participation of the department and the board in Celebrate Saskatchewan. Our correspondence school will continue to provide free correspondence services to senior citizens. There will be concentrated efforts by the department to assist school boards and native groups in urban communities to come to terms with the educational problems which are facing children of Indian ancestry and those problems are very severe. A detailed study into the long-range implications of declining school enrolments will be undertaken and due to be completed. It's already undertaken and it will be completed by midsummer.

Mr. Speaker, I want to refer for a moment, if I might, to our provincial library. I'd like to take a few moments of the hon. member's time to draw attention to this library system. This system is composed of seven regional library systems, three municipal libraries and a provincial library. The system is supported by provincial grants which pay about 65 per cent of the cost of the library with the municipalities and almost all participate on a voluntary basis — pick up about 35 per cent. Mr. Speaker, our provincial library system is recognized by professional librarians from one end of Canada to the other as being outstanding. We have the most comprehensive library legislation in Canada except for Newfoundland where there is a different system. It's the largest; it's also the best supported and it provides the most services. Mr. Speaker, the provincial library in Saskatchewan handles more inter-library loans in eight weeks than the agency in Alberta handles in an entire year. Since 1972, this system has grown to this level of excellence and it's been primarily done by an increase in the budget, Mr. Speaker. In 1972-73, the provincial library budget was \$1.2 million. This year, that budget amounted to \$5.4 million. The system was begun by a far-sighted government in the '50s. I have to confess that it was allowed to languish by a government in the '60s. In the '70s it matured to the level of excellence which we enjoy today.

Mr. Speaker, this is yet another institution, another illustration that in Saskatchewan every year is the Year of the Child. Mr. Speaker, I want very briefly to refer to the Department of Culture and Youth. The philosophy of the government in setting up the Department of Culture and Youth was to provide equal opportunity for all residents of Saskatchewan to participate in cultural, recreational, and sport activities. Mr. Speaker, this department has achieved this in many areas. One such area is the area of recreational cultural facilities. Two years ago, Mr. Speaker, we introduced legislation to provide \$26 million over a four-year period to assist municipalities and non-profit organizations to construct, renovate and improve recreational cultural facilities. The importance of recreational and cultural activities and the need for more and better facilities and the timeliness of the problem have been shown by the overwhelming response. Mr. Speaker, I have confidence in saying that by the end of the program in March 1981, our the entire \$26 million will be used up.

What is even more inspiring is the reaction of the Saskatchewan communities to this program.

There was a regulation which said that for each dollar in grants they must match it with a dollar obtained locally. That regulation proved to be entirely unnecessary. Many communities, indeed, I think the norm was that communities would match \$4 to \$ 5 for every dollar they got from us. There are many cases of communities matching \$10 or \$20 with ours with the result that by 1981 the province of Saskatchewan will be enjoying over \$100 million worth of new and improved recreation and cultural facilities.

**March 12, 1979**

Mr. Speaker, from what I have said I think it is apparent that I will be supporting the budget.

**SOME HON. MEMBERS:** Hear, hear!

**MR. R.N. NELSON (Yorkton):** — Mr. Speaker, it is indeed a pleasure for me to rise in this House again and to present some of the views some of my constituents have presented to me. But before I do so, I would very much like to turn to some of the things that were said by the member for Thunder Creek in connection with Crown corporations.

I find that very interesting, Mr. Speaker, because in Ottawa we have had Liberal and Conservative governments for 112 years and for a great deal of that time we have had Crown corporations. It wasn't until around 1962 or '63 that a Crown Corporations Committee was established. The strange thing about that Crown Corporations Committee, Mr. Speaker, is that it has never met. Three hundred and eighty nine Crown corporations that are there, Mr. Speaker, and neither a Liberal nor a Conservative government has seen fit to make use of the Crown Corporations Committee. It seems strange to me. Mr. Speaker, how a group opposite could stand and complain about the use of the Crown Corporations Committee that is here — the only one that is operative, really, in Canada. In fact, in British Columbia, Mr. Speaker, there is one that is just being established now. But throughout all those years of Progressive Conservative and Liberal governments, none, no effective way of examining those Crown corporations.

What methods do they have? They have a one-half hour question period in the House and you can well imagine how well you can examine Crown corporations under that method. Besides that you can bring it up in debate in the throne speech and the budget speech. Again, a most ineffective method of examining Crown corporations... (inaudible interjections)... Mr. Speaker, I beg to differ that there are lots of answers in Crown Corporation meetings. There are a few occasions, Mr. Speaker, when it is in the public interest not to have things revealed to the opposition, when answers are refused. But in general, the answers are open and freely given. But here, in this House, when they are opposition the PC's only answer to the Crown corporation is to propose a system that I would dismantle the Crown corporation. They would dismantle it, Mr. Speaker, under the guise of giving them to the public; they would dismantle Saskatchewan Telecommunications; they would dismantle Sask Power. Those two corporations, Mr. Speaker, have some of the lowest rates in all of Canada, if not the lowest rates. They would set up those corporations so that they could be bought by their pals in Bell Telephone. They would set up those Crown corporations so that they could be bought by their pals in Calgary Light and Power. They would say that everybody in the province should be able to attend these annual meetings. The PC problem is that they feel that they're not competent enough to ask the questions that would give a careful examination of these Crown corporations at their annual meetings which are held in the Crown Corporations Committee.

I think, Mr. Speaker, they look at how hotels and gas stations are managed and they naturally feel their inability to ask questions that probe deeply enough into these corporations so that the people of Saskatchewan, the owners of these corporations, can have all the answers to them, answers to the questions that are necessary.

Mr. Speaker, I challenge these members to come to the annual meetings of the Crown corporations. I challenge them to come to the Crown Corporations Committee and act as an effective opposition in this regard. Mr. Speaker, I would like now to offer my

sincere congratulations to the Hon. Walter Smishek for the excellent presentation of an excellent budget. This I see as another of the many people-centred budgets that have been brought down by the CCF and the NDP since 1944. These budgets have delivered a vast array of programs that now make Saskatchewan the leader in the whole of North America. Mr. Speaker, medicare, denticare, the municipal revenue sharing plan, Farm Start, Land Bank, and countless other programs. This budget continues the process that was begun so ably by the CCF back in 1944. Mr. Speaker, I heartily commend the Minister of Finance for the excellent budget.

And when you consider the economic chaos in our country and in the world, the Blakeney government and the Hon. Walter Smishek and his officials have my sincerest admiration for the budget that they have prepared. Just look at the value of the dollar compared to the American dollar. Today, we have the 84 cent dollar. Consider the American dollar against other foreign currency and see what problems face Canada. Consider the soaring energy costs since 1973 when the Arabs decided that they were going to charge more than 6 cents a barrel for their oil. Yes, consider the soaring energy costs also since the American companies, oil companies, decided that they would join in with the Arabs and treble their already swollen profits. Consider the exodus of the Canadian dollar. Mr. Speaker, as the American-based companies take home their profits from their Canadian operations. Consider the flight of the dollar as the Canadian capitalists take their money which they have made in Canada and invest it elsewhere. When I consider these and many other factors I cannot help but marvel at the financial genius that keeps our Saskatchewan economy as one of the strongest in our land.

**SOME HON. MEMBERS:** Hear, hear.

**MR. NELSON:** — Mr. Speaker, we have consistently held the lowest unemployment rate in Canada. We have consistently kept up our efforts to create jobs. Let us compare that with PC Manitoba when we found 36,000 jobs were cut immediately after their taking power. Added to that, we have one of the lowest rates of taxation in the country. Mr. Speaker, I regard this as a solid success.

**SOME HON. MEMBERS:** Hear, hear!

**MR. NELSON:** — Then, Mr. Speaker, one must consider the 17th century laissez faire notions of Conservatives and Liberals. Be a referee they say, stand back and referee while the giant multinational elephants jump around in the mouse cage. Be a referee, Mr. Speaker, while the American-based companies take \$18 million a day home from Canada. Be a referee while we have an 84 cent dollar and the chaotic Canadian economy which has resulted from 112 years of Liberal and Conservative rule.

A typical example of the laissez faire attitude of Liberals and Conservatives is shown in the proposed rail line abandonment in the prairies. Progressive Conservatives, Mr. Speaker, out of power, are the great defenders of the prairie communities. They are the great defenders of the common man as long as they are out of power. Their problem, Mr. Speaker, is that their real sentiments sneak out around the corners. Let's look at some of the ways that their true sentiments really show. I might say, Mr. Speaker, that no Progressive Conservatives showed at some of the CRTC (Canadian Railway Transport Commission) hearings which have been held to discuss those rail line abandonments. Mind you, I heard that at one place they did send an elaborate two-page brief to another member. Their man from Alberta, Mr. Don Mazankowski, the

member of parliament, says to abandon rail lines only when the abandonment can be accepted by the farmers and the railroads. Well. Mr. Speaker, PRAC (Prairie Rail Action Committee) and the MacPherson Commission — the MacPherson Commission established by Progressive Conservatives show what the railroads would want and those two commissions show what Mr. Don Mazankowski would want. What do they do here when they are in the House where they hope that the news media will carry a different message back to a suspicious public? Mr. Speaker, they propose yet another study. The Progressive Conservative's own study under Justice MacPherson and his PC cronies suggested 8,000 miles should be abandoned, as was mentioned by the member for Morse (Mr. Gross). The Hall Commission, mind you, took a reasoned approach to the problem. Under Otto Lang, Snavelly, and PRAC studies have again taken the side of the CPR. Hours of research have been done by dozens of other people, hundreds of other people. But what is the PC's solution to Otto Lang's action against the prairie rail system? Another study, Mr. Speaker.

The member for Thunder Creek (Mr. Thatcher) has thundered on about government waste. Stay to hear this, Mr. Member for Thunder Creek. He has decried loudly the deficit in the budget. Irresponsible, he said. But what is the PC suggestion, Mr. Speaker? Spend another half million dollars studying something that has already been studied to death. (... inaudible interjection...) Mr. Speaker, the storerooms of parliament are lined with Liberal and PC Royal Commission reports and studies that are ignored under layers of dust. Nero fiddled, Mr. Member for Estevan (Mr. Larter), while Rome burned. The PC's and Liberals want studies while the CPR lifts the tracks. I have news for the PC's. The people of this province are sick and tired of spending their hard-earned dollars on studies that aren't used. I, for one, will fight that one tooth and nail.

**SOME HON. MEMBERS:** Hear, hear!

**MR. NELSON:** — No more studies, Mr. Speaker. But, Mr. Speaker, we've heard a great deal about the dollars and cents costs. Conservatives, in their concern for the CPR profits, brought in the MacPherson Commission. Otto Lang in his concern for the CPR profits brought in Snavelly and PRAC. And our government has consistently examined the economic effects on the small farmers that rail abandonment would have, the small farmers and the small communities as well. But, Mr. Speaker, we are also concerned about the human costs.

**AN HON. MEMBER:** — That's right.

**MR. NELSON:** — And what are the human costs, Mr. Speaker? Many a small farmer in our part of the province will just have to leave the farm if the railroad from Wroxton to MacNutt is closed.

**AN HON. MEMBER:** — Ah, terrible.

**MR. NELSON:** — Their work of more than half a lifetime will go down the drain. Instead of being free and independent operators they drift to the cities. Many will have to look for jobs for which they will have no qualifications. Many will be relegated to menial tasks instead of living the free and independent life on the farm. Besides that, Mr. Speaker, many older people have retired in the Calders and MacNutt throughout this province, and they will suddenly find that there is no grocery store in their town. They, too, will be forced to leave the town. So who then will buy their homes so that they can purchase new homes in cities like Yorkton? No one, Mr. Speaker. And so instead of being free and independent people looking after themselves, these people will have to

rely upon the state for support. And yet the PCs say, let's have another study; let's study what's been studied before.

**AN HON. MEMBER:** — Keep at it.

**MR. NELSON:** — These people... some people need to have a couple of brains they could rub together if they could find them — but that's a problem too... these people don't need to waste money on another study. Mr. Speaker, they demand action. They want us to work to alleviate a situation, not to spend our energies on another study.

When they are in opposition the PCs tell us what wondrous things they would do if they could only be trusted with power. Again, we must look at their ROP (record of performance), Mr. Speaker, in other jurisdictions. The Progressive Conservatives try to tell us that it doesn't matter what their party does when they are in power elsewhere. But either they must repudiate their affiliation with the Progressive Conservative Party or they must accept the policies of that party as portrayed by the actions of governments in other areas.

Mr. Speaker, the PCs are fond of saying that there is no tax on the gasoline in Alberta... (inaudible interjection)... says the one who knows a lot about leap frogging and who is looking to leapfrog again. But one needs to examine this business of gasoline tax very closely too, Mr. Speaker. Six hundred gallons of gasoline will take you approximately 12,000 miles. Now if you used 600 gallons of gasoline in a year that would save you approximately \$115. But, Mr. Speaker, the Alberta government charges \$189 for medicare fees so who saves? I ask you, Mr. Speaker, who saves because Alberta has no gasoline tax? Why, Mr. Speaker, the business executives, the people who have incomes of over \$30,000, the people who drive many, many miles. The poor and the low-income people lose again under the Progressive Conservatives.

Moreover, we've talked about the Alberta oil riches. We know that if we had used Alberta's oil tax system between 1974 and 1977 the people of Saskatchewan would have lost \$442 million. But, Mr. Speaker, Alberta has taken nearly 10 times as much in oil production as we have and hence in the 1974-77 period foreign oil companies have taxed the people of Alberta to the tune of close to \$4 billion. Mr. Speaker, \$1 billion in taxation per year from 1974-77. Whom did the money go to, Mr. Speaker? To the foreign oil companies. The member for Thunder Creek (Mr. Thatcher) had the nerve to thunder on and complain about our heritage fund.

The Alberta PCs can give away \$4 billion to a foreign oil company, \$4 billion in taxes to those Alberta people, and then the member for Thunder Creek has the nerve to talk about irresponsibility in our government. I say, Mr. Speaker, that the \$4 billion giveaway is criminal neglect and a complete disrespect for the generations to come in the province of Alberta.

But let's look at another area, Mr. Speaker — housing. In Yorkton, you can buy a fully serviced lot for \$8,000, fully serviced, Mr. Speaker — sidewalks, paved streets, sewer, water, the whole works. Let's look at Regina. Walsh Acres in the northwest part Regina, a choice area in this city where the land is assembled by the city itself. A fully serviced 50 foot lot there sells for \$12,250 — \$245 a frontage foot. Right next, is a provincial land assembly area, Sherwood Estates — a 50 foot lot there sells for \$11,500 or \$230 a frontage foot.

Now, let's take a good look, Mr. Speaker, at good old PC Calgary, Alberta. There, where

**March 12, 1979**

there is no provincial land assembly problem, the PCs have decided that they will sit back and referee — referee while the elephant jumps around in the mouse cage... (inaudible interjection)... I will later. For the young person who wants to buy a lot in the Hillhurst area, in a modest subdivision in the southwest part of the city of Calgary, a 25 foot lot is being sold for \$11,000, Mr. Speaker. No, excuse me, it's being sold, Mr. Speaker, for \$27,000. A 25 foot lot, Mr. Speaker, being sold for \$27,000! But, Mr. Speaker, would you like to move in beside the idle rich up on the hill in Calgary's northwest? It's called Oakridge. In Oakridge you can have the privilege of buying a lot for \$60,000, Mr. Speaker. Mind you, it's fully serviced. But it's the 17th century laissez faire philosophy of the PC party that's coming through again — gouge thy neighbor is their policy, gouge thy neighbor, even if he is another rich man.

Mr. Speaker, how about homes? In the Rosemont area of Regina, a 1,200 square foot house, 15 years old, will sell for between \$55,000 and \$60,000. But in good old PC Calgary, a comparable area, you would have to pay approximately \$96,000 for a comparable house. A young couple buying a home there would be taxed an extra \$36,000 by the land developers.

Mr. Speaker, the Blakeney government has not hesitated to govern; the Blakeney government has taken the side of the man on the street. That is why we in Saskatchewan can buy our homes free of the free entrepreneur gouger. The PCs love to point with pride at our neighboring province, oil-rich Alberta, with their huge heritage fund. You would think that their provincial debt would be practically nil. But that was interesting too to hear the member for Thunder Creek (Mr. Thatcher) talk about that one. I would like to deal with this more fully. In Alberta the debt in 1977 was \$1,918 for every man, woman and child. At the same time ours in Saskatchewan, even with all our Crown corporations, was down to \$1,469. In other words, every man, woman and child owes \$449 more in Alberta.

Mr. Speaker, there is a great deal more that I want to say and I would really like to hand it to them and I would like to do it at a later date. So I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:01 p.m.