

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Nineteenth Legislature

April 25, 1980.

The Assembly met at 10 a.m.
On the Orders of the Day.

WELCOME TO STUDENTS

HON. A.E. BLAKENEY (Regina Elphinstone): — Mr. Speaker, it's my pleasure to introduce to you and welcome to the Assembly, a group of Grade 8 students, some 15 or 16 in number, from Connaught School in Elphinstone constituency in Regina. They are here with their teacher, Mr. Mike Kaczowka. I had an opportunity to visit their school a short time ago on the occasion of distributing the Celebrate Saskatchewan pins and the pictorial history of Saskatchewan at which time we had a question and answer session on matters related to the Celebrate Saskatchewan events and also to other matters of public interest. I am now the proud owner of a Connaught sweatshirt. Accordingly, I am particularly happy to welcome them to the legislature today.

HON. MEMBERS: Hear, hear!

MR. R.A. LARTER (Estevan): — Mr. Speaker, I would like to join with the Premier in welcoming the teacher and the students from Connaught School. I took all of my elementary schooling at Connaught and many of my family did as well. I would like to join with the Premier this morning in welcoming them.

HON. MEMBERS: Hear, hear!

HON. E.B. SHILLINGTON (Regina Centre): — Thank you very much, Mr. Speaker. Initially, I want to join my colleague, the Premier, in welcoming the students from Connaught School. That school is just on the border of my riding and a number of children in my constituency go to it. As well, it is the school that my children will be going to when they are a year or two older.

In addition, Mr. Speaker, I want to introduce to you and through you to the Legislative Assembly, 20 students from Strathcona School. I am not sure which gallery they are in. They are here with their teachers Ms. Sylvia Walton and Ms. Lapyre. I had an opportunity to visit Strathcona School a couple of years ago when I distributed the Queen's pins. I will be getting around there in a month or so with the Celebrate Saskatchewan material. I look forward to meeting them again at that time.

HON. MEMBERS: Hear, hear!

MR. D. LINGENFELTER (Shaunavon): — Thank you, Mr. Speaker. It is my pleasure to introduce to you and to members of the Assembly, a group of eight Grades 4, 5 and 6 students from the Morse constituency. They are here today with their teachers, Mrs. Bradvold and Mrs. Beth Moir as well as their bus driver, Paul Trudeau. I am sure that all members would want to join with me, on behalf of the member for Morse, in welcoming them here today and wishing them an enjoyable stay in the Assembly and a safe return home to Simmie tonight.

HON. MEMBERS: Hear, hear!

MR. G.S. MUIRHEAD (Arm River): — Mr. Speaker, it is most pleasurable this morning to introduce to you and to the members of the Assembly, approximately 25 Grade 8 students from the Craik High School. They are accompanied by their teacher, Mr. Hymers. I see they have a flunkie they brought in for a school bus driver this morning, but this flunkie happens to be the principal of the Craik High School, Mr. Ray Johnson. I welcome the two of you here this morning and your class. I thank you, Mr. Hymers for bringing the class in. You did so last year. I hope you have a very enjoyable visit. I will be meeting with you later on this morning. Thank you very much.

HON. MEMBERS: Hear, hear!

QUESTIONS

CROP INSURANCE

MR. H.J. SWAN (Rosetown-Elrose): — A question to the Minister of Agriculture. A farmer in my riding called this morning and he is concerned about crop insurance. There has been an apparent discrimination by the crop insurance board when it refused the right of a woman to obtain a crop insurance contract. And my question to you is, why does the crop insurance not allow a woman a contract?

HON. G. MacMURCHY (Minister of Agriculture): — Mr. Speaker, I will have to take notice of the question. I think if there is a specific issue here that the hon. member has which I can deal with, I will be glad to receive it and put it before the crop insurance board.

MR. SWAN: — A supplementary. While you are taking notice then, Mr. Minister, I will give you a few more of the details. This gentleman phoned; he advises that he . . .

MR. SPEAKER: — Order. Is the member asking a supplementary?

MR. SWAN: — Yes. This gentleman advises that both he and his wife have separate permit books; they file separate income tax forms . . .

MR. SPEAKER: — Order, order! Next question.

DUMPING OF RAW SEWAGE IN WASCANA CREEK

MR. G.S. MUIRHEAD (Arm River): — Mr. Speaker, a question to the Minister of the Environment. I was informed yesterday that the city of Regina has dumped up to 50 million gallons of raw sewage into Wascana Creek. In view of the obvious danger to health of such an action, and in view of the apparent implication for the Qu'Appelle system into which Wascana flows, will the minister provide us with the details of this dumping, and will he tell us if the city had received permission from his department to dump this raw sewage?

HON. G.R. BOWERMAN (Minister of the Environment): — Yes, Mr. Speaker, the city of Regina did receive permission from the Department of the Environment. During the course of repairing one of their major sewage disposal lines they contacted the department and received approval during that interval to release sewage into the Wascana Creek. I believe that job will likely be completed now. The only precaution taken was that a high concentration of chlorine was added in order to reduce the amount of contamination as much as possible.

MR. MUIRHEAD: — A supplementary, Mr. Speaker. I understand the flow in the creek is approximately 10 per cent sewage, which will eventually end up in the Fishing Lakes chain. What were the alternatives available to the city and to your department in lieu of dumping this raw sewage?

MR. BOWERMAN: — Mr. Speaker, I think there were no alternatives available to either the city or our department in this respect. The sewage line was in need of repair, as I understand it, and in order to undertake the repair it was necessary during that period of time to discharge the effluent coming through the line while the repair was being made. There seemed to be no other alternative to that and so therefore the approvals were given. The estimate of damages or the estimate of effluent was considered and as I indicated to you earlier, Mr. Speaker, the department took what precautions they felt necessary.

MR. MUIRHEAD: — A supplementary, Mr. Speaker. Does the Department of the Environment have a procedure whereby the water quality of the affected system is monitored after such a discharge is allowed, and if so, will the minister explain what this procedure involves?

MR. BOWERMAN: — I wouldn't be able to supply to the member a detailed explanation of the monitoring system, but I would be prepared to give him that. I am prepared as well to advise the members of the House that yes, all considerations were taken into account, and in view of what seemed to be a necessary (although an unhappy) situation, it was considered and approval was given on that basis.

NEW REPORT — SOVEREIGNTY NEGOTIATION

MR. D.M. HAM (Swift Current): — Mr. Speaker, I would like to direct a question to the Premier. News reports indicate that you and other western premiers in an announcement stated you would not negotiate sovereignty-association if it were the only item on the agenda. Is that correct?

HON. A.E. BLAKENEY (Premier): — Yes.

MR. HAM: — Mr. Premier, do you not admit that by suggesting if it were the only item, that you are in fact leaving the door open to negotiation?

MR. BLAKENEY: — Mr. Speaker, we are leaving the door open to having a constitutional conference to consider changes in the Canadian constitution at which every participating government (and one would expect there to be 11) would be free to bring its own proposals to the table. We acknowledge the Government of Quebec may bring a proposal that may involve sovereignty association. We would not leave the conference on the grounds solely that another government suggested that, if there were a number of proposals for consideration and debate. I think the premiers wished to make clear they weren't trying to restrict other governments as to what proposals they may put on the table. They were trying to address the question of whether or not the Government of Quebec, may take the position that because of an affirmative vote on the referendum authorizing them to negotiate sovereignty association, that was all they were authorized to negotiate (sovereignty association and the details thereof) and they were not authorized to negotiate anything else. If that were the basis upon which the conference would start then the western premiers indicated they would not negotiate on that basis.

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MR. HAM: — Supplementary, Mr. Speaker. Mr. Premier, it borders slightly on hypocrisy but do you not believe that by indicating you would not negotiate on the success of a yes vote, you are simply telling the people of Quebec to separate?

MR. BLAKENEY: — I think we are attempting to tell the people of Quebec in other parts of the communiqué that we would very much like them to continue to be part of a unified Canada. We are, I think, by implication telling them that if they wish to separate, if they wish to attain sovereignty and be a separate nation with separate laws and a separate parliament and separate institutions, then in all likelihood Canada would regard them as a separate nation; we would hopefully regard them as a friendly nation as we do the United States or France or Britain or Australia or Jamaica, but would not enter into any special association with them of a kind different than that which we have with, let us say, the United States or France.

I think that is the message we wish to convey, and to leave the people of Quebec with the full understanding of what their alternative is. Their alternative really is, in our judgment, being members of a restructured federation or possibly being a separate nation but not being a separate nation with an economic, customs and tariff union with the remainder of Canada.

MR. J.G. LANE (Qu'Appelle): — Supplementary to the Premier. You are then saying that if Quebec separates, perhaps exchange arrangements, so in fact you are prepared to negotiate?

MR. BLAKENEY: — Mr. Speaker, I have a good deal of difficulty with that because the member starts out by paraphrasing what I said. I invite all hon. members to look at what I said and look at his paraphrase and wonder whether it is fair. The four western premiers did not address the question of what would follow the establishment of a sovereign Quebec and presumably a sovereign remainder of Canada — it would certainly be sovereign. We did not address the question of what would follow after that except to say we felt the negotiation of that Quebec sovereignty simultaneously with an economic association was impossible, or in our judgment impossible and accordingly we wished to advise people in Quebec of our belief that could not practically happen, so they would have that information when they were deciding for themselves how to vote in the upcoming referendum.

GRANTING OF SGI AGENCY

MR. LANE: — I direct a question to the minister responsible for government insurance. Would the minister advise this Assembly how one Dan Smith managed to obtain an SGI agency? Dan Smith is formerly an employee with government insurance, and the brother of Ralph Smith, the government caucus office director. What were the qualifications of Dan Smith that he managed to get an SGI agency? And how did he manage to get the government contract for Weyburn Inn, which is subject to SEDCO problems?

MR. ROBBINS (Minister of Revenue, Supply and Services): — Mr. Speaker, I know that Dan Smith had got an agency. He had been at one time an employee of SGI. He was not employed with SGI at the time he got the agency. He was employed with Co-operators Insurance. I didn't know he as a brother of Ralph Smith. The member seems to indicate he knows a good deal more about that item. I must say that when people get agencies with SGI, they apply for an agency; if an opening comes and if they have the

capability they get the appointments. They must write examinations to get an agency and there is nothing sinister or under the table or anything else about Dan Smith or anyone else getting an agency with SGI.

MR. LANE: — A supplementary to the minister. The minister is not quite correct in his facts. Dan Smith was an employee at SGI. Would you kindly advise this Assembly whether or not the same Dan Smith negotiated the SGI proposal for Dan Smith Agencies to get the Weyburn Inn contract?

MR. ROBBINS: — Mr. Speaker, there is no way I, as minister in charge of SGI, will know about individual agencies and their individual contracts, and that again is a stupid question.

MR. LANE: — Supplementary. When the opposition raises matters of political patronage the minister seems to think they are stupid while never saying they are in fact inaccurate. Would you not admit that this individual got an agency and that he got unfair advantage from inside knowledge because of his employment with SGI? Are you now prepared, first, to stop the political gifting of SGI agencies, and, second, to urge your cabinet colleagues to bring in conflict of interest legislation for senior civil servants?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Order. I believe that the language the Minister of Revenue, Supply and Services was using was not in good parliamentary context. I must ask the minister to withdraw the reference he made to the question and what he considered the question to be and then we could get on with the answer.

MR. ROBBINS: — I am quite willing to withdraw the remark, Mr. Speaker, if you deem it unparliamentary. There are no political appointments with regard to SGI agencies. They meet the requirements of being capable persons who can serve the public well. And I think it's just the fertile imagination of the member for Qu'Appelle working overtime.

CROP INSURANCE CONTRACT

MR. SWAN: — A question to the Minister of Agriculture. Why, Mr. Minister, do you not allow a farm woman a crop insurance contract when she indeed has a permit book in her own name, she pays income tax on a separate filing form, and pays her own cost of farm operation?

MR. MacMURCHY: — Mr. Speaker, I indicated to the hon. member for Rosetown-Elrose that I would be glad to look into the problem that was raised with him by a phone call, as he indicated, from a farmer this morning. And if the hon. member will give me the information, the name of the person or persons involved, I will take the information he provides for me, give it to the crop insurance board or the staff of crop insurance, and see what the problem is and how it can be addressed.

DEPARTMENT OF EDUCATION PAMPHLET

MR. D.G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, a question to the Minister of Education. I have in my hand a pamphlet entitled, Speaking to Schools, put out by your department and it contains 43 various pictures. I notice that in 13 of them are different

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poses of the minister, and there are a few footnotes appended to the pictures. This booklet, Mr. Minister, apparently states nothing of any educational value and I'd like to know the real purpose of putting this out.

HON. D.F. McARTHUR (Minister of Education): — Mr. Speaker, the speaking of schools conferences, that the hon. member refers to, were conferences held in the province during 1979 to help honor and celebrate the International Year of the Child. The conferences were very unique . . . (inaudible interjection) . . . The wit and humor of the member for Qu'Appelle is astounding. Mr. Speaker, the conferences were unique. I don't think there have been any conferences of this sort held anywhere that I know of in the English-speaking world.

What we did was invite children from schools around the province to one of two conferences held in Saskatoon and Regina. The names were drawn at random. The children attended these conferences along with their parents. The children and parents were provided an opportunity to speak directly to the minister and the staff of the Department of Education in order to express their viewpoints about the school system and about changes and improvements that should be made. Mr. Speaker, during the course of those conferences there was a great deal of enthusiasm expressed by the participants, and they asked me if I would be prepared, as part of the follow-up to these conferences, to distribute some of the record of these conferences including the pictures. As a result of that and with the advice of the educational advisory council which helped organize these conferences, these particular pamphlets were put together and distributed to those people who participated in the conferences. They will provide the young people and the parents with a lasting record of the activities they participated in. I am informed by many of the parents and children that they are very pleased to have received this pictorial and written record of these particular conferences.

SOME HON. MEMBERS: Hear, hear!

MR. TAYLOR: — Mr. Minister, you mentioned they went to the schools of the participating students. Were they mailed to any other schools in Saskatchewan? How many copies were printed and at what cost? Who printed them? Would you answer that?

MR. McARTHUR: — Mr. Speaker, I'll have to take notice of that question. I know that the pamphlets were distributed to the parents and children who participated. As far as the remainder of the mailing list and the cost, I would have to take notice of that question.

MR. TAYLOR: — Supplemental. I would think in the time of rather tight educational dollars when the mill rates are being increased, do you think this is the best use of the educational dollars of the taxpayers of Saskatchewan and is this just not an obvious political propaganda to enhance your ego? I ask, who is paying for this — the people of Saskatchewan or the NDP?

MR. McARTHUR: — Mr. Speaker, I do indeed believe that these conferences and the costs associated with them are very high priority in use of the educational dollar. I might point out to the hon. member that practically all the participants in these conferences indicated to me that first of all, the opportunity to meet and discuss with the Minister of Education and officials of the Department of Education face to face was something unique and important.

Secondly they pointed out to me that the opportunity for young people, for children from the schools, to come and participate in a conference was something that they had never expected to have happen and had never known to happen before. They felt that was something extremely useful and positive. I say to the hon. member he will well appreciate, that as part of doing that kind of thing, the young people and the parents appreciate to have a record of what happened. They asked for that record. My department officials produced this record under the advice of the educational advisory council.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Order, order. I'll take a new question.

MR. LANE: — Don't you believe that type of information which consists of nothing but pictures, with very little reporting content, if any, constitutes political propaganda at the taxpayers' expense? Don't you believe in fact this should be paid by the New Democratic Party and not the taxpayers of Saskatchewan?

MR. McARTHUR: — Mr. Speaker, there is absolutely no reference to the New Democratic Party in those productions if the hon. member would care to look at them. I want to point out to the hon. member that these kinds of activities are the kinds of activities which we of course would expect a Conservative government not to get into because they would not meet with parents and children on this basis in a frank and open way.

SOME HON. MEMBERS: Hear, hear!

MR. McARTHUR: — The parents and the children were very frank and direct with me. There were many, many criticisms which they advanced and I appreciated that. They also asked for this kind of record and I appreciated that because I felt they would, having put so much value in these conferences, appreciate receiving this kind of follow up to the conferences. I have no regrets for that whatsoever.

URANIUM SALES

MR. R.A. LARTER (Estevan): — A question to the Premier. Mr. Roy Lloyd was interviewed by the Leader-Post the other day and he was asked, because Amok and Cluff Lake uranium was coming on stream very shortly, what the commitments were. Mr. Lloyd declined to say where the uranium was to go. He refused to say if sales were destined for France. France has not signed the nuclear non-proliferation treaty, which would forbid the country from using Canadian uranium in nuclear weapons. Mr. Premier, with \$12 million of uranium ore coming on stream very shortly, I would like to know if you are going to guarantee the people of Saskatchewan that none of this uranium finds its way to France, which could build nuclear weapons, or any other country which could build nuclear weapons in this world?

MR. BLAKENEY: — Mr. Speaker, I think I can guarantee the hon. members that none of the uranium will be sold except in strict compliance with the laws of Canada. So far as I am aware, the laws of Canada have not changed in the last three months and accordingly they will be the same laws which prevailed three months ago. I know members opposite and members on this side of the House generally felt they were adequate at that time. I can assure all hon. members, in so far as the Government of Saskatchewan has any interest or role in the matter, the laws of Canada will be

complied with.

MR. LARTER: — Supplementary, Mr. Speaker. Would you be prepared to table the reports of uranium sales you get (at least I hope you get them) from the federal government? Can you show us where the present uranium sales are going?

MR. BLAKENEY: — Mr. Speaker, I do not know what reports we might get from the federal government but to the extent that reports are available in public and available for tabling, it seems clear to me the appropriate course of action is for members to speak with one of their colleagues at Ottawa to get the material tabled in Ottawa. If it is material turned out by the government in Ottawa, it is I think much more appropriate that it be tabled by that government for all Canadians to see, rather than our procuring it (I don't know whether it's supplied to us) and then tabling it in this House.

MR. LARTER: — Final supplementary, Mr. Speaker. I don't think the people of Saskatchewan will think that answer is good enough. For a province which is going to be selling as much uranium on world markets as you forecast, do you not believe that you have more responsibility than just saying the federal government will give you this information?

MR. BLAKENEY: — Mr. Speaker, I am not sure what the hon. member is suggesting. I understand he is referring to uranium produced at the Cluff Lake mine by the Amok company and owned in a legal sense by the private company of Amok. I do not think (I want to make this clear) it's the primary responsibility of the Government of Saskatchewan to monitor where, let us say, Eldorado Nuclear sells its uranium or Gulf Minerals sells its uranium where Amok sells its uranium. I know of no basis upon which we could do that nor do I think that it is our role as a provincial government to attempt to regulate the interprovincial and international trade in commodities which are produced by private companies in this province and sold beyond the borders of the province. I ask the federal government not to intervene in our constitutional area and I take the position on the international sale of uranium that we would like to be advised, but I do not believe it is our role to attempt to regulate and control the international sale of uranium or any other commodity — wheat for that matter either — that is produced in this province.

COMMITTEE OF FINANCE

MOTION FOR INTERIM SUPPLY

HON. E.L. TCHORZEWSKI (Minister of Finance): — Mr. Chairman, I have a resolution which I would like to move at this time:

Resolved that a sum not exceeding \$327,918,140, being approximately two-twelfths of the amount of each of the several sums to be voted, as set forth in the estimates for the fiscal year ending March 31, 1981, laid before the Assembly at the present session, be granted to Her Majesty on account for the twelve months ending March 31, 1981.

Motion agreed.

MR. TCHORZEWSKI: — Mr. Chairman, I would like to move another motion:

Resolved that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1981, the sum of \$327,918,140 be granted out of the consolidated fund.

Motion agreed.

MR. TCHORZEWSKI: — Mr. Chairman, I wish to move the following resolution:

Resolved that a sum not exceeding \$105,329,610, being approximately two-twelfths of the amount of each of the several sums to be voted, as set forth in the estimates for the fiscal year ending March 31, 1981, laid before the Assembly at the present session, be granted to Her Majesty on account for the twelve months ending March 31, 1981.

Motion agreed.

MR. TCHORZEWSKI: — Mr. Chairman, I would like to move a final motion with regard to the Saskatchewan Heritage Fund:

Resolved that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1981 the sum of \$105,329,160 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

The committee reported resolutions.

Resolutions agreed to and read a first and second time.

MR. TCHORZEWSKI: — Mr. Speaker, I move that Bill No. 83 — **An Act for granting to Her Majesty certain sums of money for the public services for the fiscal year ending the 31st day of march, 1981** be now introduced and read the first time.

Motion agreed to and bill read the first, second and third time.

**COMMITTEE OF FINANCE
FINANCE
VOTE 11**

Item 1 (continued)

MR. P. ROUSSEAU (Regina South): — Thank you, Mr. Chairman. I would like to take a few minutes to reply to the statements which were made in this legislature last night. The statements by the member for Nipawin I consider, for the most part (most of these statements and most of the dialogue that was spouted last night), to be nothing but a mockery of this legislature.

The member for Nipawin had the audacity to suggest to the government that they could reduce costs in many areas of their different departments. I don't disagree with that. In fact, we have said it many times. I will repeat those statements many times in this Assembly in the future. I believe very firmly and very strongly that there is a lot of fat in this government. It can be trimmed; it could be done if attention was drawn to it and directed to it. But for those comments to come from the member for Nipawin is almost a

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farce. This morning I received on my desk a release from a press conference which the member for Nipawin held, suggesting a third party in this country called the Unionist Party to join with the United States. First of all, I regard the member for Nipawin and the member for Swift Current both as traitors — traitors to their constituents, to their province, and to their country and Queen.

MR. CHAIRMAN: — Order. Just give me a moment. I would refer all hon. members to the Rules and Procedures of the Legislative Assembly of Saskatchewan, page 19, rule 16.

No Member shall speak disrespectfully of Her Majesty, nor any of the Royal Family, nor of His Excellency the Governor General or person administering the Government of Canada, nor of the Lieutenant Governor of the Province, nor shall he use offensive words against the Assembly or against any Member thereof.

I would also refer hon. members to Beauchesne's, Fifth Edition, citation 319(3):

In the House of Commons a Member will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution; or to impute to any Member or Members unworthy motives for their actions in a particular case . . .

Further in this section in the list of words that are considered unparliamentary, one of them is treason, treasonable, etc. I find from those words to call a member traitorous would be unparliamentary and I'd ask the member to withdraw.

MR. ROUSSEAU: — Mr. Chairman, as you have asked, I certainly will withdraw that I didn't realize those words would be unparliamentary or offensive to the legislature. I would like to carry on with my comments.

However, I am definitely most concerned about individuals who are out to destroy our country and the member who made mention last night of these cutbacks in the finance budget — the expenditures of this legislature of this government — is a hypocrite. If he really meant this government should in fact trim the fat, then they should cut back in the expenditures and there is no question that the government should. There is no question that the government has been irresponsible in the expenditure of the taxpayers' money. However, when one recognizes and realizes that by the actions taken today by the two members who sit to my left (the two members who have advocated separation and the destruction of this country) it will cost the taxpayers of this province an additional \$400,000, maybe \$500,000 for the formation of this party to destroy our country — I say he's a hypocrite. I say he has no sincerity whatever in advocating cutbacks in the expenditures of this government.

Mr. Chairman, their behavior shocks me and it shocks the members of the opposition to have members of this Assembly who were elected to this legislature by constituents, by Canadians, by residents of their constituency to represent them as part of Saskatchewan and as part of Canada. Mr. Chairman, it is a very sad day in this province to find the creation of such a party with its aim of destruction, its aim to separate and join another country.

Mr. Chairman, the comments we heard from the member to whom I referred earlier, certainly were legitimate in the sense that the government opposite (and I say only in that sense, certainly not coming from him) has gone astray in its expenditures. I am

extremely, deeply concerned when I hear a suggestion from the Premier of this province — not on record but I want him to deny it if he didn't say it because he did say it — the day the budget was brought down in this Assembly he shouted across to me when I replied to the budget and said, we'll be spending \$8 billion before we're finished. Now when I hear comments like that it frightens me, and it frightens the taxpayers of this province — the few we have.

I would just like to comment for a minute and then I'm going to let my colleague for Arm River carry on with his questions he started yesterday. I want to comment on the debt load of the province as it stands. I keep hearing the minister of Finance suggest we have a low per capita debt load. He himself admitted that our debt load is \$2.295 billion, and when you consider that figure, in his calculation of \$2,077 as a per capita debt load for 1977 he juggles his figures a little bit — seriously so. I agree that the debt load is \$2,295 billion plus; however the \$2,077 refers not to that amount, but to the \$1.987 million of the debt load that is shown on a separate page of the budget. There's the total debt; there's the gross debt. He doesn't take into consideration the debt load of this coming year which is another \$590 million; he doesn't take into consideration the \$2.5 billion debt load the potash Mr. Chairman has committed itself to, and he doesn't take into consideration all of the other commitments made, for example, by Sask Tel, Sask Power, and on and on.

The debt load is not what it was last year, but what it is today and what is coming, and what is on the horizon for the people of this province. That is the concern of the members on this side and the concern of the people of Saskatchewan.

So just to clear the record, Mr. Chairman, the finance minister should include the commitments, should include the actual figures that are shown in his own budget speech. Having made those few comments, I don't know whether the minister wants to reply or not.

HON. E.L. TCHORZEWSKI (Minister of Finance): — Mr. Chairman, just briefly in response to the member for Regina South, let me first make something very clear. The government, this side of the House and our Premier have made it crystal clear that the position being taken by the member for Nipawin is a position which we do not agree with in any sense of the word. We are strong proponents of national unity and the strengths and the greatness of this country. That is a position we have taken consistently, while members opposite (from whom those two members on that side of the House slid away, without every rebuking them) have been not really quite that clear on many of the debates until today in the remarks by the member for Regina South. I have a lot of respect for the comments he has made, and I welcome them and support them.

Let me now deal with the budget of the Department of Finance. The member for Nipawin last night spoke about the different things he would do when I challenged him to reduce the expenditures in the budget of this government for 1980-81. I disagree with his list and I think it is a bunch of nonsense, but he listed all of the things he would be prepared to do, and for that I will give him some credit because at least he made that list. When the member for Regina South stands up in the House and says there is a lot of fat in the departments, and when all of the departments come forward in the estimates but we don't hear from the members opposite scrutinizing those estimates where they would cut the departments specifically, then I think that that kind of generalization is pretty shallow and meaningless. So I will say there is that difference between the member for Nipawin and the members opposite when it comes to suggestions that are

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made specifically. I think his suggestions are wrong and I want to make that very clear, but at least he made them. Maybe the members opposite will begin to do that in the various departments that come before us.

Mr. Chairman, the member for Nipawin made some comments yesterday comparing Saskatchewan and Arizona. I didn't deal with them because I didn't at that time have all of the information I would have liked to have had and also because I did not think it was particularly important. But after he went on at length, I decided I would provide what the real facts are in making that kind of comparison.

Last night the member for Nipawin was attempting, Mr. Chairman, to contrast our budget with that of the state of Arizona. His basic argument was that the people are getting more public services for less down there, meaning Arizona. Our suspicions, which developed last night, about the accuracy of his comments were borne out by our search for the facts this morning (including a call to the Arizona budget office). The member said that the Arizona state and local expenditures were lower per capita than in Saskatchewan. Last night I gave one obvious reason: medicare and hospital insurance is a provincial expense in Canada. In the states there is no universal medicare and hospital insurance program. But there are other reasons which I think are important for the Saskatchewan public and for the members of this House to know.

In the United States, state governments net budget so that federal conditional transfers do not appear on the state's accounts. In Saskatchewan we gross budget such that federal payments are received as revenue and the full amount of expenditure is then voted by this House. Federal payments frequently go directly to the local level in the United States. You can take highways for an example. The Arizona budget provides \$40 million for highways. In Saskatchewan it's four times that amount at \$157 million. No wonder the Arizona budget is lower, the American federal government spends \$220 million on highways there. That money goes directly to the local level and does not show up as a state or local expense.

As well, Mr. Chairman, I am informed (I wish the member were here to hear this but I'm sure he will read it in Hansard) that the highways in Arizona are not in as good shape as the member for Nipawin stated. The state transportation policy task force, which is an advisory committee to the government, has recommended the imposition of a 43 cents per gallon tax increase — 43 cents a gallon tax increase — to finance \$15 billion of highway construction and maintenance required over the next 10 years.

As well, there are other examples in other program areas. For example the American federal government gets directly involved in the financing of education whereas in Canada it is almost exclusively a local and provincial responsibility. Let me just give you one more example, Mr. Chairman, dealing with the average property taxes for homeowners in Regina and in Phoenix, Arizona in 1979. In Regina, the average property taxes were \$894. In Phoenix, that great and wonderful place the member talked about, those taxes are \$1,170 with fewer services. I really think that's quite a favorable comparison to the conditions we have in the province of Saskatchewan because of the kinds of policies we have followed here under successive CCF and NDP governments.

SOME HON. MEMBERS: Hear, hear!

MR. ROUSSEAU: — Mr. Chairman, the minister should have saved his remarks to be directed to the person for whom they were intended. Unfortunately, he is not in the House and it's almost a waste of time for him to expound on those virtues of this

government compared to the state of Arizona.

He suggested it should be the role of the opposition to scrutinize the expenditures of the government. Well, I agree. But it should also be the role of the government to give the answers to the opposition when they are asked for when they are scrutinizing the estimates of this government. I'll give you a good example of an expenditure of this government that we tried to scrutinize, were stonewalled on and were not provided with the answer for in this Assembly, when we tried for almost two hours to get the answer from the Minister of Tourism and Renewable Resources. Don't tell me that the opposition is not taking its role seriously, Mr. Minister, because we do take our role seriously. If you want every item of this budget scrutinized to that extent then we might be here for a lot longer than you anticipated.

I asked the Minister of Tourism and Renewable Resources where he was going to spend \$2 million and I'm still waiting for an answer. I don't expect to get an answer because he has refused to answer that question. And you're telling us that we're not asking questions. You're telling us that we're not scrutinizing your estimates. Do you want us to propose some cutbacks? Mr. Minister, I'd be happy to propose cutbacks to your budget. I would be happy to propose a list. Will you, as minister, take them seriously? Will you act on the proposals we submit to you? Will you be listening to the suggestions of the opposition that the government could trim the fat you have in this government?

You talk about a comparison. I don't want to compare Saskatchewan with Arizona. You did this morning; I wasn't going to get involved with it. The member for Nipawin started it last night. You replied to it.

Well, let me suggest to you again, if you want to make that kind of a comparison let's compare apples with apples. Let's compare actual figures on a per capita basis. You did not disagree after the phone call you made to the budget office of the Arizona state legislature with the budget figure mentioned in this Assembly last night of \$1.75 billion. Well, divide that by the 2.5 million people in the state of Arizona, and the figure is about \$700 per capita. Add to that if you wish. Now, the member also suggested that allowance of approximately \$80 per capita. Subtract it from your \$540 per capita. That leaves \$460. So let's add the \$460 to the \$700 per capita and now we're up to \$1,160.

You talk about a highways expenditure by the federal United States government and the state government of \$260 million. You talk of Saskatchewan expenditures of \$157 million. Compare that gain on a per capita basis, and who is paying more? Mr. Minister, I would like to suggest to you, don't use figures for your advantage in this legislature; use the figures as they should be used where they mean something to the people of this province. Few people will relate to \$157 million or to \$220 million, but take it on a per capita basis and what does it mean for the individual? Using the per capita average, as the proper comparison, if we take into account over two and one-half times the difference in the populations, the comparisons then would be close to \$400 million that Arizona should be spending, as compared to our budget of \$157 million. So they are still far below the cost of what we are spending in Saskatchewan.

You talk of conditions. Well, I don't think you are in a position, Mr. Minister, to make a comparison of conditions of highways. We have some good highways in this province. We have some poor highways in this province. You talk of education being paid for by the federal government in the United States. I suggest to you, tell us what it is costing the local school boards over and above what the government is spending for education

and we will make a fair comparison then. But don't just throw figures out that are meaningless and may sound and look good to the press or to the gallery or to your backbenchers or to anyone else. Let's make honest comparisons. And I suggest you have not done that. We'll give you suggestions, Mr. Minister, but again I ask you, will you listen? Will you act and will you start acting in a responsible manner in the expenditures of the taxpayers' dollars in this province because they have had enough of government spending?

It is government spending that is creating the inflation, that horrible, horrible word we hear so often today. It is government spending which is creating the inflation we are faced with. You never take a look at a department. As we on this side of the Assembly have suggested so often, to revert to zero-base budgeting for your budget you built in an automatic increase. It's automatic. And if you don't spend it before the end of the year, your department heads will scurry to buy and spend so it won't be cut back from next year's budget. That's their responsibility. When you establish a budget, you don't start from what you spent last year, you start from zero. You find out what you need to make government work and to benefit the economy of this country but not continue to attempt to destroy it.

MR. TCHORZEWSKI: — Mr. Chairman, let me respond to the last comment first. I am not sure that there is anywhere in Canada (although I have to admit I am not totally familiar with all of the jurisdictions and what they do) where the scrutiny of the budgets that come from the various departments in the government is done as well as it is done in Saskatchewan. If the member opposite and his colleagues would look over successive budgets brought in by this government, they will find yes, we have introduced many new programs. We support those programs as good programs that are of benefit to Saskatchewan people and programs which people in this province appreciate and wish to have. So, all the things about careful scrutiny of the budget, which the member opposite talks about, are in place now because of the processes we use through budget bureau, treasury board, the cabinet and through finalization meetings and a whole stream of successive steps that take place.

Now, the suggestion is made that somehow everything should go to zero on day one when that starts. I don't know how you do that and I'm not sure that I want to agree with that concept because then you're saying, Mr. Chairman, that medicare for example, has to go back to zero. That is not realistic. That is not realistic because it is not going to go back to zero, but it is a responsibility of government, ours or any other government, to make sure the best possible services are provided in the most efficient way possible to the people who need them. Maybe that is one of the reasons (in fact it is one of the reasons) why we are able to provide broader health care services and health care programs in Saskatchewan, in some cases at less than per capita cost, than is done in some other provinces because of the efficiency our hospitals and our departments and our government have followed over the years and continue to follow now.

I want to assure the member opposite that indeed we will listen to any suggestions and alternatives he brings forward or any of his colleagues bring forward. We will consider them and decide whether they are meritorious or not, on the basis of whether or not they are in the best interests of the people of Saskatchewan. That is the underlying criterion. We will decide for example, and it is not necessarily a budgetary item here, whether our position on the crowrate or the Grant Devine position on the crowrate (which he indicated yesterday, as much as said it ought to go because he praised Alberta) is the best one . . . (inaudible interjection) . . . Oh, the member for Arm River says that the Alberta and Manitoba position on the crowrate is the best and their

position is that it should go. That is not our position, Mr. Chairman. I'm glad we cleared that up because it is at the present time in the best interest of the farmers of the province of Saskatchewan.

The member for Regina South (and I will just comment on this last point) compared, as the member for Nipawin did, the Saskatchewan budgeting processes and the expenditures we make to Arizona. As I indicated in a statement I made a little earlier, that is comparing apples and oranges and he knows that and I'm not sure he will disagree. The system is different, the taxation system is different; the funding from provincial and federal government in Canada as opposed to state and federal government in the United States is so substantially different that you can't make those straight comparisons. I think the comments I made with regard to examples like health care and examples of the highway program in Arizona make it quite clear that when you make that comparison, it's apples and oranges.

MR. ROUSSEAU: — Mr. Minister, to reply to your very last comment, I totally agree it is apples and oranges, but you were making the comparisons, and unfairly so. That is why I was correcting you. You suggest you support programs that I mentioned here earlier. Well then if you do, if you do support programs of that nature, answer this question: why did the member for Turtleford the day before yesterday in this Assembly adjourn debate on a very important program which could have an effect on every man, woman and child in this province. A public utilities price review board, a motion which I brought forward in this Assembly to control prices, a suggestion . . .

AN HON. MEMBER: — Utter nonsense.

MR. ROUSSEAU:— Utter nonsense, the member for Moose Jaw North (I think he is from) has suggested — utter nonsense that 50 states in the United States have price review boards. Utter nonsense that seven provinces in Canada have price review boards. Utter nonsense. Well, a comment like that is not unusual for the member for Moose Jaw North. Utter nonsense, when the greater Winnipeg electric company applies for a price increase in February because of increased wages and costs and is refused on the basis that it wasn't required to maintain a reasonable profit, and is to reapply for that same increase again next week. April 30 (citing about seven or eight different reasons why they need a price increase of 2 per cent for one year).

What does this government do? You talk about balancing budgets. This government has no qualms about increasing at their whim natural gas prices by 15.5 per cent in one year. It has no qualms about increasing electrical rates in this province at 8 per cent. The Minister of Telephones over there is shooting off his mouth. He has no qualms about his Crown corporation increasing telephone rates by 6 per cent. Why? To direct more taxes into the consolidated fund. That is a simple reason why those increases are there. You say I am wrong? Then why the dividends to the CIC which go into the consolidated fund? Without those dividends going in and being directed into the consolidated fund, you would have to increase the personal taxes of every taxpayer in the province. You say I am wrong. But yet you won't support a public utilities price review board. You let it die on the order paper.

I have a very concrete suggestion, a motion I believe would be acceptable to all the voters of the province (the taxpayers, utility rate payers). But no, you let it die on the order paper. A public utilities price review board could do a lot for this province in controlling those excessive rates. But you are afraid it will show that you can't control your expenditures. That is exactly why you are opposed to a public utilities price review

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board. Because then you would not be able to control your expenditures without taxing the taxpayers of this province. We talk of waste. The minister in charge of SEDCO is sitting very quietly over in his corner.

A Crown corporation which was established as a lender of last resort if anything but that today. What right does this government have and what mandate do you have to invest the taxpayers' dollar in land acquisition or in commercial ventures? No one gave you that right. No one gave you that mandate. No one told you that you could invest my tax dollars in your business ventures so that you could build ivory towers for yourselves — power brokers.

Do you want a cutback? Let's take a look at the SEDCO expenditures cutback. There's one area. I might refer to the Minister of the Environment. If he wants to get into the debate he's welcome to do so. Get up and shoot off your mouths on how much money you're spending. We'll be most anxious to hear from you.

I'll get back to industry and commerce, a department which, with the successes they're having in this province, shouldn't even exist the way they're operating it. It's meaningless. The manufacturing of this province accounts for less than 1 per cent of the total manufacturing being done in Canada today. I have read the statistics, Mr. Minister, and I'll tell you exactly what it is. It's 0.087 per cent of the total manufacturing done in this country today.

As long as you have the attitude you have on that side of this House we will never increase or broaden our tax base in this province, because no one will want to invest.

The minister talks of the reason for all the expenditures being the best possible service can be provided. Well, last night I don't think he was listening to me. Last night I cited in this Assembly that Saskatchewan is not providing the best possible service in health care and medicare. They are number four in western Canada. Number four! The bottom of the list! And I have the figures. Number four behind British Columbia, Alberta and Manitoba in health care expenditures and services. And they don't lose the number of doctors that you lose in a year. And that doesn't include, by the way, the \$300 million in research expenditures Alberta has voted from its heritage fund.

He says he will listen. Well, let's start by listening to my suggestion of a public utilities price review board and see how far you'll listen. And to start we'll see if you'll investigate and scrutinize the expenditures of SEDCO. Will you listen? You tell me then that you will be responsible and if you will listen to those two suggestions, Mr. Minister, I'll come in with 100 more at least.

I don't think the minister understands zero-base budgeting. He mentions health care — do we start from zero? Of course you start from zero, of course! That's not to say you're not going to spend \$100 million more than you did last year; that's not to say the cost of that department won't be a lot more than it was last year. Your budgeting starts from zero and you build from there, and you justify the costs, expenditures and taxes you are going to impose on the people of this province. That is how you budget; you don't start where you left off and add to it automatically without looking to see where the expenditures of last year went to, without checking them.

That is what you call zero-base budgeting. It isn't a question of saying you take away medicare. You might end up by finding you're not spending nearly enough, and you're not when you compare your expenditures to the other provinces in western Canada.

You obviously still don't understand.

MR. TCHORZEWSKI: — Mr. Chairman, I should remind the member to reflect carefully on what he has said in these estimates last Friday and today. AT one time he says (our of one side of his mouth) that the government spends too much. He says on different occasions, you've got to cut back on your expenditures. Now he stands in his place at his desk and says, you don't spend enough. Well, for heaven's sake make up your mind, Mr. Chairman, I should say to him through you. You can't have it both ways.

Now the member talks about a public utilities prices review board which they have in some other places. I am not persuaded, Mr. Chairman, that is a very practical or a very effective mechanism.

AN HON. MEMBER: — You're afraid of it.

MR. TCHORZEWSKI: — No, I'm not afraid of it. I'll tell you, Mr. Chairman, that when I look at the prices of utilities consumers have to pay, be it power or telephone or you name it, in Alberta or in Ontario or in British Columbia or in Quebec or in the Maritime provinces and I compare them to Saskatchewan, I know that the kind of operations they have there are not working as well as the system we have in Saskatchewan because our rates are lower. That is the true test, Mr. Chairman, of how effective the process is. The true test is how does it impact on and how does it affect the consumer. The consumer in Saskatchewan is by a long stretch better off than he is in those other provinces where Bell Canada practically says, in spite of those review boards, what the rate is going to be for telephones. And there is no doubt about that, Mr. Chairman.

The member says and he offers a suggestion, and I'm glad we have another one on record, that he would do away and a Conservative government would do away with SEDCO.

MR. ROUSSEAU: — Point of order.

MR. CHAIRMAN: — State your point of order.

MR. ROUSSEAU: — You show me in the record where I said we would do away with SEDCO.

MR. CHAIRMAN: — Would you state your point of order?

MR. ROUSSEAU: — Yes, I will. My point of order, Mr. Chairman, is that the minister is totally misrepresenting my statement and totally misreading what I said. I said and I'd like to repeat what I said
...

MR. CHAIRMAN: — Order, order. That is not a point of order. That's a question of debate to which you have an opportunity to respond and correct.

MR. TCHORZEWSKI: — Well, Mr. Chairman, I won't pursue what the member said. We won't worry about that. The point is that he does not agree with the way SEDCO has been operating in Saskatchewan. Well, I don't agree with his position and neither does the Government of Saskatchewan. I'm sure that the new bowling alley in Humboldt and I'm sure that the new Bella Vista Inn in Humboldt and I'm sure that the publishing firm in Humboldt would not agree with him either. We believe SEDCO should be used to help those kinds of establishments throughout Saskatchewan establish and expand and

that's what SEDCO provides a service for. I don't apologize for that because I think it's a good service. It does a great job for Saskatchewan business.

The member also indicates, Mr. Chairman, that the health care programs in Saskatchewan are fourth in the provinces which he compares and I think he's comparing to the western provinces. But I ask him to tell us in this House, do those provinces have a dental plan for children? No, I ask him, do those provinces have a prescription drug plan that applies to everyone? Not in the sense Saskatchewan has. Do they have an aids to independent living program like we have in this province? No, they don't have. Do they have a health tax on their citizens besides other taxes they pay? Yes, indeed they do, Mr. Chairman. And if you want to make that kind of comparison I am prepared to do it any day.

Let me deal with the question of zero-base budgeting as well and explain the process we're using. I have looked and we've looked in the government at the so-called zero-base budgeting system which is once again one of those nice phrases that tend to get some headlines. I can tell the members that this system in practice, does not look at the last dollar of expenditures or just the dollar of expenditures. In fact those who say they use zero-base budgeting start with a given base of over 80 per cent. If that's what the member is promoting in this House when he talks about zero-base budgeting (because that's how it works), then I think our system is by far more effective and efficient and does a better job.

We don't add automatically to the budgets. Every program is reviewed every year with great care by the treasury board. First we set overall targets for expenditures and revenues consistent with the desired fiscal framework for the province's finances. Next, briefly put, we choose the best allocation of the taxpayers' dollars among competing programming demands. This is accomplished by treasury board staff reviewing the spending programs proposed by government departments and agencies. Using a variety of analytical techniques, each and every program is reviewed each and every year. Efficiencies and economies are sought to ensure that the taxpayer is getting the best value for his or her dollar. The recommended funding levels are presented to the government and it is our ultimate decision as to the allocation of those resources, taking into consideration the funding and revenues available and the needs of the people of the province of Saskatchewan, Mr. Chairman.

MR. ROUSSEAU: — Mr. Chairman, I'm only going to take a minute to correct the statement made by the minister on SEDCO. The records will bear out that what I said about SEDCO was that it started out and its mandate (or its terms of reference if you like) was that of a lender of last resort. It has become anything but a lender of last resort. You should have been around at the time it was established.

Mr. Chairman, I do not disagree with a form of SEDCO but I do disagree with the kind we have — the kind this government proposes and is a proponent of. I do disagree with that. As far as SEDCO is concerned, the minister will have every opportunity (unless he wants to reply today) to reply in Crown corporations. You're welcome to come up with some answers today, Mr. Minister — you of all people. I won't go on with that.

Zero-base budgeting — again I'd be wasting my time and my breath on the minister in getting back to that. The minister hasn't understood and I believe the member for Arm River has some questions. I'm going to go — nature calls. I'm going to take a five-minute break, have a cup of coffee and I'll be back.

MR. G.S. MUIRHEAD (Arm River): — Mr. Chairman, when we left off last night I asked the minister if he thought we were in a recession and he said definitely not. But before I get into that, I want to say something about this announcement made today by the member for Nipawin and the member for Swift Current. I think this should come up in finance because it is going to cost the taxpayers of Saskatchewan some money if they form this new party. I think it's time the press corps and you people understood the real issue that's happened here . . . (inaudible interjection) . . . There's no order about it.

AN HON. MEMBER: — What are you talking about?

MR. MUIRHEAD: — This is finances. It sure is, if there ever was finance; it's going to cost them some money. It's about time you people faced up to it. It's about time that the press faced up to it. What these two people have done . . . (inaudible interjection) . . . You can have your turn. Let me tell you what they've done. I want to put it on your shoulders. They know there was no way they could get elected in the next election so they formed this little party. They formed this little party to collect some money at the taxpayers' expense. It's got a lot to do with it because it comes right from the Minister of Finance and it's got a lot to do with it. I heard the member for Nipawin going on here — I didn't see any points of order from anybody — last night about absolutely nothing to do with finance. Nobody stopped him. This issue is finance . . . (inaudible interjection) . . . I never did give him a standing ovation. I never did and I never will. Let's just go back . . . I will give Dick Collver the credit for organizing the Progressive Conservative Party.

MR. CHAIRMAN: — Order, order! I think the hon. member is out of order in discussing the organization of the Conservative Party of Saskatchewan. I think he is equally out of order discussing formations of new parties, particularly under this vote. I think he is in order if he is replying or speaking towards points raised by the hon. member for Nipawin in the debate last night.

MR. MUIRHEAD: — Thank you, Mr. Chairman. All I want to say is one more thing about

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it. If he gets away with what he did here last night and this morning, the issues he states, it's right on the taxpayers of Saskatchewan who have to pay for these two people who know there is no way in God's world they can get elected again. They are just going to take the taxpayers to pay it for the next couple of years until the next election. Mark my word, and you can quote me, that you will never see Dennis Ham or Dick Collver again after the next election — they're gone, no party, nothing . . .

MR. CHAIRMAN: — Order, order, order! I would like to caution the hon. member that really we should be trying to deal with item 1 in the Department of Finance estimates.

MR. MUIRHEAD: — I think I got my issue across. Now I want to go back to the Minister of Finance. When I asked you if you thought we were in a recession in this province, or in this country, you said — no way. I don't think you lived in the '30s to know anything about what a recession is. A recession is when people are going broke, Mr. Minister. The price of grain has gone down; the price of cattle has gone down; the price of hogs has gone down, and people are going broke. There are farmers going broke every day. There are hog farmers going broke every day. The construction man is going broke every day. The small businesses are going broke every day. That's exactly what happened in 1919 but it took until 1932 before the financial wizards of North America knew we were in a recession.

What you don't understand is the difference between a recession and a depression. We are in a recession and it's on your hands to do something about it in this province.

I mentioned here a week ago today we had to have some immediate action in Saskatchewan. You stood up and ran the clock out, and put it right back in somebody's hands down east. I am putting it back in your hands, in Saskatchewan, to do something about the immediate situation. Because I say it is far worse than the '30s. In 1930 the people didn't go broke because they had nothing to lose. They didn't lose their farms; they just hung out and grew vegetables and hung on. If people couldn't find a job they rode the railroads and then joined the army, came home from the army and they didn't have anything to lose.

Now I will tell you there are farmers going broke and there are small businesses going broke in this city and you know right well you are doing nothing about it.

You were saying . . . You can keep your balanced budget. But I say that you can take some money and put in different places. You ask the people out in my municipality right now who have to raise their mill rate from 68 to 84 to balance their budget. The only reason they couldn't balance their budget is because you balanced yours. You know that as well as I know it.

SOME HON. MEMBERS: Hear, hear!

MR. MUIRHEAD: — You had better tell me why the people from Outlook have to put 7 mills on their hospital tax? Now is that what you call a deterrent fee? You know it is. Nobody over here is arguing that this medicare system isn't good, but it has to be better. You have to make it better. You have to make it free so you are not misrepresenting the people in the province of Saskatchewan. Everybody knows (and you know it right well) that you won an election saying there was free medicare. It wasn't free. I don't know anybody who goes to a hospital who doesn't have to pay something. You have a bill to pay. Everybody does. I have a letter on my desk right now about a small amount. A man went to a doctor. He's very hurt about it; his bill was \$67 and he had to pay it. It was six

months before he got \$53 back. Is that a deterrent fee — What about the people who pay \$300 and \$400 for operations now? Is that free medicare? It's the biggest whitewash job on Saskatchewan I've ever seen. You watch. As soon as the next election comes around the people will swallow it again. Free medicare! I've never seen such an issue in my life.

Take a look at this budget book, Mr. Minister. Just take a look at it. It says the budget provides a wide range and set of initiatives and services. Health care let's just take a good look at that one, Mr. Minister. Let's just take it to the senior citizens' home in Davidson an Outlook now — those two— and ask how many senior citizens are happy about their increase from \$121 to \$169. That's the average increase right now. Is that helping health care, helping those old people who are in senior citizens' homes? You balance your budget on the back of the people of this province; it's the only reason you've done it. Ridiculous.

Environmental protection: prove to me what you're going to do for environmental protection. It's been nothing but a wish-washy deal for four years. In this last year that I've been in here we've never had a straight answer from the Minister of the Environment but boy, when we get to his environment estimates he's going to come up with some answers this time, I'll ell you, or we'll stay here till more than the snowballs slide.

Then you have here that you're going to boost Indian native programs. Indian native programs — who is getting the money up there, the bureaucrats or the Indians? It's the bureaucrats; that's been proven. And you'd better just think very carefully on that. You have misrepresented every one of the Indians in the North. They're not educated and you like to keep them that way. Keep them down . . . (inaudible interjection) . . . I'm not mentioning any names, you did. You just mentioned his name. I'm talking about the natives who are uneducated, Mr. Chairman, do you want to let him talk or me?

You say the budget provides a wide range of jobs. Jobs for what? People are out of work in this province. The ones who can't get a job here are moving out, and you know it as well as I do. What are you providing for new jobs? I've never seen such a budget in my life. Ridiculous!

Services to people, tax relief, resource management, the whole works of it — you're not doing it, you're only writing it on paper here. You don't prove it. Nobody even proved that in rural municipalities the gas rebate taxes were paid. It says here, \$16 million, or so many dollars for the tax rebate on fuel but we never see any figures to see that they actually got it. We don't know. It could have been \$5 million; it could have been \$3 million, it could have been \$20 million. We don't know because you don't show us any books. Any organization to which I belong we see the books, but you people don't table anything for us to see. You just sit there and don't answer questions. You answer what you want to answer. That's all you answer. Look here. This has to be the biggest joke of the century. It states, most importantly this budget contains bold initiatives in energy and grain transportation. When you get on your feet, you answer me these questions. Where are these bold initiatives to move grain?

MR. CHAIRMAN: — Order, order. I'd just like to bring to the attention of all members of the committee that the budget debate has taken place and a decision has been made on that. I don't think we can rehash things from the budget debate, department after department, in this particular estimate. I think the estimates are designed to go in a general way and in a specific way through the departments of the government. The

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remarks that are made in this debate here should deal with the Department of Finance, general, item 1 — certainly general questions and comments in regard to the operation of the Department of Finance. I call on the hon. member.

AN HON. MEMBER: — On that point I'd like to ask you some questions if I may.

MR. CHAIRMAN: — I'm not accepting your questions.

MR. MUIRHEAD: — I want to state a point of order myself.

MR. CHAIRMAN: — Well, state your point of order.

MR. MUIRHEAD: — My point of order is this. Last night we watched the member for Nipawin wander completely off the budget. I watched the Minister of the Environment last year go for an hour and 40 minutes. You can check. He was so far off the estimates it was like being in Jamaica. And that's the point of order and I don't think that I was getting off the point by going to that budget.

MR. ROUSSEAU: — A point of order if I may. The budget in my opinion is part and parcel of the finance minister's documents. They are part and parcel of what is in the estimates of finance and unless we are able to scrutinize that department's expenditures . . . Now for example, the budget itself, the book, the report, is printed by his department as part of the costs of the Department of Finance. I'm at a loss to understand why Mr. Chairman is ruling on a point of order and the fact that the budget has nothing to do with the estimates. As a matter of fact the budget has everything to do with the estimates of finance, simply because in the report itself, the cost comes out of the minister's department.

MR. CHAIRMAN: — Order. I have already made my ruling and I'll just reiterate it and we can perhaps continue. The budget debate is a general debate that deals with the budget of the Government of Saskatchewan. The committee of finance and the estimates of the committee of finance are designed in such a way as to deal with every department of the government and the operations of that department. I think it's in order to make slight references perhaps to other departments but to detail questions in the Department of Health, etc., here is improper because we do go through the Department of Health estimates and they have an opportunity there to bring up those kinds of concerns and those kinds of questions. So that's my . . .

MR. ROUSSEAU: — Mr. Chairman, on another point of order then, is the only way I can . . .

MR. CHAIRMAN: — Is this a new question?

MR. ROUSSEAU: — Yes.

MR. CHAIRMAN: — O.K.

MR. ROUSSEAU: — As I understand your ruling the budget report is not included. The budget report itself is paid for by the Department of Finance so is it not right that we can scrutinize the budget report?

MR. CHAIRMAN: — No. Are you finished then?

MR. R. KATZMAN: — On a point of order, Mr. Chairman.

MR. CHAIRMAN: — State your point of order.

MR. R. KATZMAN: — I believe that the Minister of Finance is responsible for the consolidated fund and therefore all funds are under his authority. Therefore, the member for . . .

MR. CHAIRMAN: — Order. That's the same point of order. That's basically the same point of order.

MR. R. KATZMAN: — Is he not responsible for the consolidated fund, Mr. Chairman?

MR. CHAIRMAN: — Order. It's not my job to debate my ruling.

MR. R. KATZMAN: — If it is, he's totally right.

MR. CHAIRMAN: — I'll call on the member for Arm River.

MR. MUIRHEAD: — All right, Mr. Chairman, we'll close this book. We won't use it because I have seen every question asked in this House — any question from anything to anything and we won't use the book because I could ask the same question just off the street instead of from the book, and that wouldn't be referring back to the budget. Anything to do with finances is to do with you, Mr. Minister. I want to ask you a specific question now. You didn't agree last night that we were heading into a recession but I say we are in one. What would you say we can do to stop it, if we are entering one? If we are just in one or starting one, what can we do to stop it, to help the situation in Saskatchewan? Never mind about some other province or about some other country. If we are entering one, what is your idea and how can we do something to protect the people in the province of Saskatchewan?

MR. TCHORZEWSKI: — Mr. Chairman, I indicated last night that in the province of Saskatchewan and in Canada right now we are not in a recession and I will stand by that because that is the fact of the way things are. That does not mean we may not be in one in the future. Certainly, it is very likely that we may be heading into one because of misguided policies we've had nationally in this country over so many years, which unfortunately leave us in the situation where we are tied so tightly to the policies in the United States, particularly the interest rate policy. This is a situation with which we disagree. I should tell the member for Arm River, even his Conservative premiers from Manitoba and Alberta and British Columbia, if I can stretch it a little bit, agree with our position.

The member said, when he talked about the recession into which we may be heading, that one of the problems is that the price of grain has gone down. He's right to some degree; it has gone down. But why has it gone down? If it has gone down, it has gone down because of that ridiculous position taken by the federal Conservative government of not giving to Saskatchewan and prairie farmers an assurance on the price of grain if it went down because of the embargo on Soviet grain by the United States, supported by Mr. Clark and Mr. Crosbie. This is the situation which has caused that to happen. Where was he, as I said on Friday, when that was happening? I did not hear him say a thing at that time.

Mr. Chairman, one of the reasons why this country is in the difficulty it is in, is because of high interest rates. Let me just tell the member once again, the position of his party

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(and it's time they dealt with the real issue) on high interest rates. I am quoting from the Toronto Globe and Mail of November 3, 1979, in which it says that the Conservatives during the election were promising lower interest rates. That's true; they were. Then in an interview after they were elected, the minister of finance at that time, Mr. Crosbie, said, Canada had to have high interest rates at that time.

AN HON. MEMBER: — Forget the politicians, get to the issues.

MR. TCHORZEWSKI: — I am on the issue. Get off your chair of contradictions and stop trying to straddle both sides of the fence.

As their leader has told the Saskatchewan farmer his position on the crowrates, saying they're going to have to go. I want the members on the opposite side of the House to stand up and to tell this House what their position is on high interest rates.

MR. R. KATZMAN: — On a point of order. The minister on his feet is again making accusations and statements about our leader which he should either withdraw or prove.

MR. CHAIRMAN: — That is not a question of order. It is a question of debate. If there was something the minister said that was unparliamentary, I wish you would bring it to my attention.

MR. R. KATZMAN: — It is unparliamentary to suggest members have said something which they have not. We have had rulings on that. We have had withdrawals on that before. Once again I am asking him to put up or . . .

MR. CHAIRMAN: — Order! That is not a question of order; it's a question of debate.

MR. R. KATZMAN: — It's a question of privilege, if you like. It is not a question of order, Mr. Chairman. We have had rulings on this exact issue before.

MR. CHAIRMAN: — Order, order! If you have a question of privilege, you should raise that question of privilege and be specific. I will certainly make a ruling. I didn't hear anything I view as being a question of privilege. But if there is something, I would certainly make a ruling on it.

MR. R. KATZMAN: — The Minister of Finance has made a statement in his comments that I asked him, as a point of privilege, to either substantiate or withdraw. That is not debate.

MR. CHAIRMAN: — If you will tell me what the statement is.

MR. R. KATZMAN: — It was re the crowrates and our leader. I ask him to either prove the statement he just said or withdraw it. He is not quoting facts.

MR. CHAIRMAN: — That is not a question of privilege. That is a question of debate.

MR. R. KATZMAN: — Mr. Chairman, in other words, I can say something totally false in here and you won't make me correct it. That's what you are saying, Mr. Chairman. From that side they can say anything they want . . .

MR. CHAIRMAN: — Order, order! I would refer all hon. members to Beauchesne's Parliamentary Rules and Forms, Fifth Edition, citation 19(1):

A dispute arising between two Members, as to allegation of facts, does not fulfill the conditions of parliamentary privilege.

And therefore I rule that you don't have a question of privilege. The Minister of Finance.

MR. TCHORZEWSKI: — Mr. Chairman, in order to expedite things, I'll leave that alone and get directly to dealing with the question the member opposite asked — the member for Arm River. He asked, what is happening in Saskatchewan that will create jobs for Saskatchewan people? I think the answer is pretty straightforward and pretty clear. We do have in this province . . . (inaudible interjection) . . . If you'll give me time I'll give you the answer. We have in this province and we've had for several years the lowest, and at times the second lowest next to Alberta, unemployment rate in Canada — 4 per cent or less as compared to an unemployment rate across the rest of Canada which has been in the area of 7 per cent, 8 per cent, sometimes almost 9 per cent. And I think that that record stands for itself.

Now, I know the members opposite probably will not agree with what I say so I won't use my support to say it. Let me give them a completely impartial point of view on the government's effort in the creation of jobs and employment and the state of our economy and the state of the budget which we have presented for this 1980-81 fiscal year. I referred to this in our discussion a week ago and I'll refer to it again because I'm not sure whether all those members were here.

MR. ROUSSEAU: — Are you going to allow the minister to speak on the budget when you didn't allow us to speak on it?

MR. TCHORZEWSKI: — I'm answering a question.

MR. ROUSSEAU: — He's speaking on the budget now . . .

MR. CHAIRMAN: — Order. I'm going to have to listen to what the hon. member has to say before I can rule whether he's out of order or not.

MR. TCHORZEWSKI: — Mr. Chairman, in reply to the member for Arm River, when he talks about new jobs and the state of the Saskatchewan economy, let me just quote McLeod, Young and Weir, from their finance department report to the public on the Saskatchewan situation. And the member for Arm River should listen because it's a pretty good answer. This is March 27, 1980 and they say:

The financial position of the province continues to be strong. (That's in reply to his reference to recession in Saskatchewan.) A combination of prudent fiscal planning and buoyant resource revenues has contributed to this budgetary position. Nonetheless, selective stimulation to Saskatchewan's economy has been designated as a budget priority. Measures to enhance energy exploration and speed the marketing of agricultural products are contained within the budget. About \$1 billion in capital spending will further reduce Saskatchewan's low unemployment level and the personal and property tax relief should reduce the impact of inflation on the province's electorate.

The member for Rosthern, that's McLeod, Young and Weir, March 17, 1980. It's not

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me; it's an independent report and a good report, very credible. Now in the budget, a member wanted to know what we're doing to cushion the impact of increasing costs on individuals. Well, let me tell you. The people of Saskatchewan, not totally will take the credit for this provincially, will have \$26 million in income tax savings from indexing in 1980 — fairly substantial. The people of Saskatchewan will have \$18 million in mortgage interest tax credits which they will receive this year when they fill out their income tax. A pretty substantial amount of money. We have expanded the sales tax exemptions to farmers. We have in the budget \$16.5 million, Mr. Chairman, in the farm cost reduction program. There is a \$50 tax relief for senior citizens. There is increased assistance to senior citizens in special-care homes to the tune of 22.7 per cent and so we have taken some of the steps we feel are necessary to meet the needs of the people because of the circumstances which they face mostly because of the high interest rate policy which we have followed in this country, which we should not be following.

MR. TAYLOR: — Minister, you asked me to get on my feet if I had some comments and I do have some comments. It seems to me you are the type of fellow that if you had to deal with a biting dog, your method of dealing with that dog (rather than preventing it from biting) would be to go back and trace the ancestry of the dog — who is the breeder of the dog, who raised the dog, who trained the dog — and in that way you are going to stop the dog from biting. And I use that as an example.

You want to go back and you want to blame the Joe Clark government, the Trudeau government, the U.S.A. and anybody you possibly can for the economic situation which exists today. Mr. Minister, I say the concern is here and it is here right now, and it's here in Saskatchewan. I ask you one very simple question, Mr. Minister, do you feel with the economic conditions existing today, April 25, 1980, that the farmers in this province are being hurt and being pinched at this time?

MR. TCHORZEWSKI: — Mr. Chairman, that is a very simple answer to give. Yes, the high interest rate situation which exists in Canada, as a result of the monetary, fiscal and interest rate policies of the federal government, are hurting all kinds of people. They are hurting the farmer, they are hurting the people who have mortgages; they are hurting the small businessmen, and it is time the federal government now, and the federal government before February, did something about it and changed the kinds of policies they have been following which have automatically tracked the interest rate policy of the United States. That's wrong. We say it is wrong. We say (and so did Premier Lougheed and Premier Lyon and Premier Bennett, along with Premier Blakeney at the western premiers' conference) that is the way it is and the responsibility lies with the federal government to deal with an issue which is created by their policy. That's unanimous in the minds of the premiers.

I have relayed that point of view to the Minister of Finance in Ottawa; I have relayed it to him in the form of a letter some time ago saying we should have a finance ministers' meeting to discuss the issue and to see if we can come up with some solutions. I have indicated I would be prepared and would very much like to meet with him personally to discuss the issue as well, I will do that as soon as he is prepared to arrange such a meeting.

MR. TAYLOR: — Thank you very much. Getting back to the analogy of the dog — in other words, you want to talk to the handler, and I will accept that.

But failing this (you have admitted to me the people in Saskatchewan are in trouble), are you willing to do something like the other premiers you mentioned have done in their

provinces?

If you were at the conference and you talked with them, surely you know and if you have been reading the newspaper and listening to the questioning in this House, you must know what has happened. I say, failing your discussions, are you willing (you tell me the people are in trouble), as Minister of Finance, to do something to help the people of Saskatchewan?

MR. TCHORZEWSKI: — Mr. Chairman, I was at this and I did talk to representatives from the other governments and they are taking the same position as we are . . . (inaudible interjection) . . . I beg your pardon.

If the members opposite want to elucidate on some specific programs we would be glad to listen to them, but I am relaying to this House what was decided and what was issued in a joint communiqué on the question of high interest rates.

We have some programs now which provide some assistance to Saskatchewan people. We have a FarmStart program which provides substantial assistance to farmers (which I think the members opposite will support as a good program). We did introduce last year, which will pay out in 1980, a mortgage interest tax credit program for people who hold mortgages. We do have a small business interest abatement program in the Department of Industry and Commerce. If it is decided at some point in time (and I am not saying at this point it will be) that some other programs are going to be introduced by the government, we will announce them in due course. But I still come back to the point, Mr. Chairman, no province in Canada, one, by itself or individually, can make up for the wrong monetary and interest rate policies of the national government. That is economic policy which has to be directed and changed at the national level. If the members are saying otherwise, woe be this province if they should ever form the government, because obviously they do not understand how the establishment and the functioning of monetary and fiscal policy works in a nation.

MR. TAYLOR: — You asked for some examples of new programs. They have been pointed out in this House and I think you are aware of them. You go on about FarmStart and the programs which have been in existence. I say, what new programs has this government brought out since these high interest rates and these pinched economic conditions have been hitting this province and the country of Canada? What new ones? I give you an example of British Columbia with its \$200 million for the home-owners. You know of that program. You know of the program in Alberta for the young farmers, the \$200,000 to get them started. What new programs have you brought in? Not one new program.

You sit in here and you blame the federal government. You say the federal government has to improve these situations. I would be happy if the federal government would improve these situations. But failing to do this, are you going to sit by and say, I'll announce in due course? Mr. Minister of Finance, maybe the due course is here right now. Let's come out with something. Show us you really are concerned about the people of the province of Saskatchewan. Don't always allude to Manitoba or whichever one is the one you would like to give us as an example. Remember the old history lesson, Mr. Minister of Finance, that Nero fiddled while Rome burned. I would like you to put down the violin and get to work in helping the people of this province.

SOME HON. MEMBERS: Hear, hear!

MR. TCHORZEWSKI: — Mr. Chairman, the member for Indian Head-Wolseley again did

as he did in the question period in not quite giving the facts about the British Columbia program. He knows full well that \$200 million program which British Columbia introduced has nothing to do with existing mortgages, not one thing. That is a program introduced, Mr. Chairman, to help the forestry industry in British Columbia. That program was introduced for the construction of new homes. It has nothing to do with the renegotiation of existing mortgages. I think that point needs to be made very clear. We have a program already in Saskatchewan, which will pay out in this year, which meets to some degree the pressure on people because of high interest rates on mortgages. That is the mortgage interest tax credit program which, as far as I know, British Columbia does not have.

MR. TAYLOR: — I am very glad you pointed out that they are helping people with first mortgages. Secondly, they are putting this money in to stimulate the backbone of the British Columbia economy, the forest industry. We have stood on this side of the House and asked the Minister of Agriculture, time after time, will you bring forth a program for farmers? You heard the member for Bengough-Milestone. My gosh, he sent a telegram to the federal government asking them to allow the over-delivery. Did you send a telegram to the federal government about over-delivery? No way. Because you don't realize that the farmers in this province are in dire straits now.

MR. TCHORZEWSKI: — Mr. Chairman, just briefly, I think the Minister of Agriculture the other day made a statement in the House in which he read the Telex he sent to the Minister of Agriculture in Ottawa, the Hon. Mr. Whelan, outlining the proposals we had for him. He has met with the minister from Ottawa. I hope the federal government will seriously consider the proposals we have made and will continue to make, so some action can be taken to address the problems which they have caused (and which the Clark and Crosbie government caused) with the policy of high interest rates and the policy which encourages the continuing sellout of the economy of Canada outside of this country, by encouraging in large amounts the buying out, by the inflow of foreign money, our economy and our resources and our industry in this country.

We have as well over the years provided some very substantial assistance to farmers. We are continuing to do that through the hog programs in the past; through the beef subsidy program we have had in the past; through the \$55 million purchase of 1,000 hopper cars, which, Mr. Chairman, will move grain which has not been able to be moved, and therefore will improve very substantially the cash position of our farmers, through the \$15.6 million included in this budget for the farm cost reduction program.

MR. TAYLOR: — You mentioned moving grain. I say our member for Bengough-Milestone came up with a solution to get \$3,000 to the farmers immediately, and your Minister of Agriculture admitted in this House that he did not make any mention to the federal Minister of Agriculture on that topic.

Then you talk about hogs. You come to Humboldt; come to Indian Head-Wolseley; I will show you today, right in this province, that people are killing the young hogs being born right at this time because it is not economical to raise them. That's a very true fact, and if you look out in the rural areas you will find it happening in every one of your constituencies. You stand up here and you don't have one positive new proposal to help the agriculture industry in this province, right at this time when they are having to outlay thousands of dollars on fertilizers, on chemicals and on grain. If you don't give some of these people help, Mr. Minister, your boxcars are apt to be running empty.

AN HON. MEMBER: — Go out and get your boots dirty on the farm, and see what's really going on.

MR. N.E. BYERS (Kelvington-Wadena): — Mr. Chairman, we have heard two diametrically opposed viewpoints put forth this morning by two members of the Conservative caucus. We heard first the member for Regina South make a plea for a utility review process which would virtually strangle many of our Crown corporations from carrying out their mandate from the government. Crown corporations are a very major instrument of economic development within the province.

The hon. member for Regina South left the Chamber; then came forth the Keynesians who have all these brilliant ideas for government action, right out of the text of Lord Keynes, for government action to lessen the impact of the approaching recession.

The hon. member for Indian Head says they have some ideas to put some more bucks into the pockets of the farmers. There is one issue which the farmers of Saskatchewan are uneasy about, which they thought a new Conservative government would have tackled in the first 100 days, and that is amendments to the Two-price Wheat Act. Our Minister of Agriculture will be putting forth (and our party has put forth) the proposition that the federal government should immediately adjust the minimum and the maximum prices under the Two-price Wheat Act, and that the minimum price should be based on the cost of the production currently estimated at \$5 per bushel, and the maximum price should be adjusted up to \$6 per bushel.

As farmers have been caught in the cost-price squeeze, the differential in those two prices is now robbing the farmers of this province in the order of \$150 million a year, if not more. I would have thought one of the first acts of a federal Tory government, showing the concern they claim to have for the farmers of Canada, would have been to call parliament forthwith to amend the Two-price Wheat Act. They allowed this leakage to occur over two crop years by their inaction.

This brings me to the point the hon. member for Regina South raised with respect to his proposal for a utility review board. We have in this province used the Crown corporation as a means to foster economic development by way of government decisions about building power plants and building the telephone system (rural and otherwise and into northern Saskatchewan). SEDCO (Saskatchewan Economic Development Corporation) is referred to. I think I can recall very distinctly members in one of the debates from the Conservative Party saying that SEDCO should not exist. We saw SEDCO operate when it did not exist for small businesses in this province. When the government came to power it was normal that the minimum loan under SEDCO be \$100,00. They were certainly not open to small businesses in \$10,000; \$15,000; \$20,000 and \$50,000 lots.

The hon. member for Regina South in proposing a utility prices board would in effect take decision-making with respect to rates on utilities (which will in turn have a great impact on economic development in this province) out of the hands of the elected representatives and turn it over to an elected board or commission. He would thereby stifle the elected representatives in making decisions as to where major capital projects should be undertaken.

I want to comment briefly on that proposal made by the hon. member for Regina South. I always thought his party was opposed to taking power away from the elected

representatives and turning it over to boards and commissions. One of the criticisms in society is that too many decisions are being delegated from elected persons to appointed boards and commissions. He is proposing yet another bureaucracy, responsible to no one, which would determine rates for telephone, power, STC and a host of others. This would thereby deprive the elected representatives of the right to determine what those rates will be and to proceed with meeting our power needs through construction of the new Coronach station and the like. Therefore, we have seen a very contradictory position put forth here; on the one hand, stifling economic activity by hobbling the elected representatives in making these decisions; on the other hand, a contrary view put forth by the hon. member for Indian Head-Wolseley.

MR. ROUSSEAU: — Mr. Chairman, to reply to that ex-minister's comments is wasting a little bit of the time of this legislature. He talks about the performance of SEDCO when it doesn't exist. How can it perform when it doesn't exist? That is beyond me. He made other equally ridiculous statements, and I'm not even going to bother getting into them. However, I want to reply to the Minister of Finance on the performance of the economy in Saskatchewan. First of all, he keeps quoting from a document that he has in his possession from McLeod, Young and Weir. I wonder if the minister would kindly table that document. Would you reply to that before I carry on with my comments?

MR. TCHORZEWSKI: — We'll send you a copy as soon as we can get it. It's a public document they produce and send to everyone.

MR. ROUSSEAU: — I can appreciate that it might be a public document. I don't have it in my possession. I just want to have a look at it. Having said that, I'll continue. We have said this before. We talk about the economy of this province, but before I get onto that I just want to mention the unemployment rate in Saskatchewan being the lowest in Canada. I don't know how we could have unemployment at all with the number of people that leave this province. We should have zero unemployment at the rate the people leave this province. It's all very easy to have a low unemployment rate when you don't have anybody here. It's all very well but I don't know, when all of a sudden things get a little tough and you end up with a 9 per cent unemployment rate up in Saskatoon, then I wonder what your excuse is for that.

You talk about economic gains. Let me quote to you from a report entitled Economic Development Prospects in Saskatchewan produced (and I'm sure the minister has a copy of this) by the Government of Canada, regional economic expansion. I think I'll just paraphrase one paragraph here. In spite of the resource generated economic growth, Saskatchewan is making only limited progress toward a more diversified economic structure. Investment is concentrated in the capital intensive, technologically advanced or primary resource sectors. Capital and skilled manpower requirements of these projects may actually inhibit expansion in a small provincial manufacturing industry in spite of emerging market opportunities. Saskatchewan's manufacturing expansion is already constrained by its limited provincial markets, poor access to distant markets, the paucity of entrepreneurship, and frequent absence of industrial infrastructure in a traditional agricultural and service economy.

Now that is not really what you call a bright picture from your performance in the government. We have suggested and said this many times, (it's worth repeating and I intend to do that right now) take a look at the record in Saskatchewan the way it is in agriculture. Let's not forget that Saskatchewan agriculture is still and always will be the mainstay of this province. If you don't agree with that, I'd like you to comment and tell the people of this province you don't agree with it.

Saskatchewan has lost 8,000 family farms since the formation of land bank . . . (inaudible interjection) . . . Alberta's gained for the benefit of the member who asked that silly question. The feedlot industry has moved despite our natural competitive advantage and now Saskatchewan only feeds one-third of the feeder cattle produced in this province. Yet, you know, our cattle industry I understand is 80 per cent of Alberta's. The packing plants are closed leaving only one remaining for hog processing. We now export 100,000 live hogs annually to Alberta for processing. We don't have the capacity.

The hog industry declined dramatically. The dairy industry has declined to the point where we cannot even adequately supply our domestic needs. The Premier goes to England to try to entice Europeans and the people from Britain to come and operate our dairy industry. Food processing and manufacturing have all but ceased in Saskatchewan. We now import substantial volumes of hamburger from Alberta for restaurants in Saskatchewan. Saskatchewan farmers have experienced a large decline in deflated net income. And in the prairie provinces we saw this week that for the first time in 75 years we were behind Alberta in farm income. Since 1975 rural farm prices have been going up and real net farm incomes have been going up in Alberta and Manitoba but falling behind in Saskatchewan. The Saskatchewan NDP imposed an orderly sales tax on the majority of farm inputs including grain bins. Well that's been changed now, along with many things designed to maintain family farms — changed by the way at the insistence of the opposition. The NDP government has raised the rent on lease lands with no regard for land productivity. The NDP government has misallocated livestock and community pastures so that pastures go unused while neighboring family farms sell off cattle for lack of ranging facilities. The record of the NDP government in supporting diversification of agriculture is dismal and, of course, we all know of the statement made by the Minister of Agriculture in respect to diversification in agriculture in this province . . . (inaudible interjection) . . . Yes, we can afford a crop failure.

We import meat for retailers in Saskatchewan from Alberta. Eighty per cent of Saskatchewan farmers — and I think it's higher than that — do not have natural gas. As the minister for Sask Power indicated yesterday in Crown corporations, he has no intention of expanding that distribution system. Eight-five per cent of Alberta farmers have it. So that's what's happening to Saskatchewan agriculture to set the record straight, Mr. Minister.

MR. TCHORZEWSKI: — Mr. Chairman, let me just first of all briefly respond to the question of population which the member raised. Let me very simply indicate that since June 1971, the Saskatchewan economy has created over 90,000 new jobs in this province. That's there to be seen by everyone and should not be questioned. I think, further, you can look at the unemployment rates across Canada for the past 10 months leading up to the end of 1979 and that will show you that consistently we had the lowest or the second lowest rate in all of Canada. It also says something about the policies of the government and the confidence of the private sector in the province leading to the kinds of development that cause that to happen. Since June of 1979 our unemployment rate has been the lowest in Canada until about October. It fluctuates from time to time.

Mr. Chairman, Saskatchewan's population has been growing steadily since 1974. Clearly that means our young people are staying in Saskatchewan and finding employment here. In fact, many young people have moved here from other provinces —

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some of which have Conservative governments — to find work in recent years, Mr. Chairman. On January 1, 1980, our population stood at 965,300 people, the highest it's ever been in the history of the province.

Mr. Chairman, as these figures indicate, people are coming to Saskatchewan at a rate of approximately 3,000 every quarter and they are finding jobs here because our unemployment rate was the lowest and sometimes the second lowest in 1979. It still continues to be in that kind of favorable situation.

The members want to get into population. Let me just point out to them the situation that has existed in Manitoba where, under a good old Conservative government, in 1978 10,943 people left the province — the biggest emigration the province has suffered in the past 13 years. Mr. Chairman, if the members opposite were to be the government here, I suspect that the same kind of experience would be suffered in Saskatchewan.

Let me point out something else in response to the member's comment about agriculture. There has been in Saskatchewan a major increase in the number of young farmers in this province. For example between 1971 and 1976 census, the number of young farmers showed an increase for the first time in 25 years. There were 16,000 farmers in 1976 below the age of 35 compared to 12,000 such farmers of that age category in 1971. Now that says something about what the land bank program and the FarmStart program have done from the point of view of encouraging, promoting and assisting young farmers to become established in farming in Saskatchewan. Now in closing, Mr. Chairman, the member asked me if I would send over a copy of the McLeod, Young and Weir report. I now have a photocopy and I would be most pleased to do it for him and ask him to be quite free to quote from it at any time he wishes.

MR. LANE: — I would like to direct a question to the minister. I understand that very recently the investments of SGI were moved under the jurisdiction of the Department of Finance. Would you report on that please?

MR. TCHORZEWSKI: — Mr. Chairman, what has happened is that the finalization has not taken place. That is something under consideration at the present time. All of the final arrangements have not been completed, I am informed.

MR. LANE: — How close are you to completion? I suggest that if it's not 100 per cent, it's 99 per cent complete.

MR. TCHORZEWSKI: — Mr. Chairman, in response to the member's question, we're not aware in the Department of Finance whether it has been to the SGI board yet.

MR. LANE: — You've obviously got it under some very heavy discussion then. Whether it's been to the board or not, I think, is an irrelevant answer. My question to you is this, is it the complete investment portfolio of SGI (and I have every confidence in the individual who will be in charge of this) that you're putting under his jurisdiction, for want of a better phrase?

MR. TCHORZEWSKI: — Mr. Chairman, we are considering a number of degrees of services that would be provided for that portfolio but the overall services have not been decided. We will not be able to make those kinds of decisions until the SGI board has considered all of the things they need to consider and have made some decisions on that item.

MR. LANE: — Well you've admitted to some discussions, significant discussions. If all you're waiting for is the approval of the SGI board of directors, you must have some indication when you expect their meeting so you can have that finalized. It's not a very minor task your department is embarking upon. You must have done a lot of ground work on this.

MR. TCHORZEWSKI: — Mr. Chairman, first of all let me point out, and I think the member well knows, that there's nothing unusual about the Department of Finance being involved in this. This kind of service is provided for all other corporations. My officials are unable, and I'm not surprised, to indicate when it is the SGI board will consider this. They will meet in April sometime, I would guess. I have no way of knowing that. I don't speak for SGI. I think that question would be better directed to the minister in charge of SGI in Crown corporations committee. But I am not aware of whether they have considered it, nor am I aware of when they might consider it.

MR. LANE: — If the board meets, there are approximately six days left. Let's not leave the impression, Mr. Minister, that there is nothing unusual about this. We know full well (and so does your department) the financial mess that SGI is in. For some 20 years SGI has been saying — the return on their investment, how proud they are of their investments, and what a significant part of their financing the investment portfolio is and how wise they have been. In every financial report SGI in particular has taken credit for their investment portfolio. Now we find there are serious discussions within the government to take the investment portfolio out of the hands of SGI and get it into the hands of the Department of Finance.

The minister knows full well there is only one reason for that, and that is because the AAA (Automobile Accident Insurance Act) loss, so-called by SGI, is in fact a loss on investments. You have been putting the blame on the drivers of Saskatchewan. The hon. member can sit there with a grin on his face. He knows full well what has been going on here. The only ones who haven't figured it out are the pres. In fact, you have been blaming the driver for some financial mismanagement. Let's face it. It doesn't take a genius to figure out any Crown corporation which would hire the present Minister of Telephones in any position above that of an insurance adjuster is bound to have financial problems.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — I don't say they started there. But it is certainly indicative of some pretty poor administration when you would hire someone like that and put him in a responsible position (if driving around the province pulling a trailer with a seat belt demonstrator rack on the back) is a responsible position but that's the job he had.

In fact, you have just admitted you were seriously considering taking them over. It only awaits the board of director's approval of SGI (a government-dominated board), so it has come a long, long way.

I think it is about time you got it in your department. But what you can't hide and what you are not going to be able to hide is the financial mess SGI is in today. I ask you once more, are you prepared to stand item 1 until after the SGI board of directors so we can deal with this particular aspect and bring it forward at the time the investment portfolio is transferred to your jurisdiction?

MR. TCHORZEWSKI: — Mr. Chairman, that's irrelevant. I don't know what we are doing here quite frankly. I will ask you to rule on that — this is the work of the Crown corporations committee because that's obviously what is being considered by the member opposite. We are here talking about and scrutinizing the estimates of the Department of Finance. We have provided through the Department of Finance some services to SGI before, from the point of view of investment portfolio. We review services which finance provides to various corporations on an ongoing basis. This is part of that ongoing basis of a review. There is some possibility that finance may provide (once decisions are made and all the aspects have been considered) this kind of service to SGI. That has not yet been decided upon and there is nothing further I can add to it.

MR. LANE: — Well I would just like to warn the minister that the matter will be coming up again and in some depth, I can assure him. Let me state that his words today will come back to haunt him. You can only plug a leaking ship for so long and then the problems come out. They are coming out loud and clear with that particular organization. You are putting the blame, as I say, on the drivers of Saskatchewan. It is a little strange isn't it? I think the minister responsible knows full well that Saskatchewan drivers all of a sudden have one tremendously bad year — even with seat belt legislation having reduced the injuries, lower speed limits, everything done to improve traffic safety — we end up with a horrendous SGI loss. One of the reasons, we'll have others, is the financial mismanagement of the investment portfolio. Like I say, I am glad it is going under the jurisdiction of the Department of Finance. I have a little more confidence in that than what we have seen to date. Let me just advise the minister that his words will be very carefully watched when Hansard comes out. The minister, I suggest, is going to have a lot of very serious backtracking to do in the months ahead.

MR. LARTER: — Mr. Minister, there are just a few things I would like to bring out. It is your glowing outlook for energy supplies and everything and your minister's willingness to go along with the Premier on giving away one-half our resources to a national energy fund proposed by this government. But it also brings us to the premiers' meeting in Lethbridge which just took place. I am talking about the reversal of the Premier, the flip-flop of the Premier in supporting Alberta on the massive exports of natural gas.

We have all seen a complete reversal on the part of the Premier just this past week. It seems to me that our Premier, when he is down east in Ontario or when he is in Quebec speaks one way, but the other night when we saw him on television with the premiers of the western provinces, you couldn't tell him from a PC. He was talking with them and listening to them. He was saying the things they were saying. It seems to me the Premier of this province has really taken a flip-flop on the natural gas issue. He finally has agreed that the right move is being made in exporting a product which we have. That is very much part of the estimates.

I would like to say that in the government's proposal of this national energy security fund for the depleting non-renewable resources, the Premier has agreed to anything over the \$14.75 level. He has proposed to the federal government, both in 1975 and in 1978, to set up a national energy fund and he would be willing to give away one-half of the increase in price to it. We have been a have-not province. We have received between \$400 million and \$500 million in equalization payments. And here is a premier of a province with 15 per cent of the oil and gas in Canada and he proposes to give away one-half of it to the Government of Canada.

I ask the minister to reply to this, both the flip-flop of the Premier in Alberta and also to the energy fund.

MR. TCHORZEWSKI: — Well, Mr. Chairman, first of all, on the question of the energy fund, we proposed it in 1975 or 1976. We still think it is a good idea. Had it been a good idea, we would have in this country \$9 billion, I think it is, in an energy security fund which could have been used and could be used today to assure self-sufficiency of energy, particularly oil, in this country. I think that is a good objective and had we that \$9 billion, we could be a long way toward accomplishing that objective.

I want to correct the member and say the proposal was that portion of the revenues over and above our regular royalties should go to the energy security fund rather than to the multinational oil companies. Now, the member obviously disagrees with that position and according to his remarks, I don't agree with him. I don't imagine we're going to agree on the question at all. So that is, simply put, the position we have taken on the energy security fund.

Secondly, there has not been, as the member opposite calls it, any kind of a change in position on the export of natural gas. If he would look at the communiqué which was issued, it is clearly stated that export increases should come about only after there is an assurance that there is going to be a continuing and an adequate supply of natural gas for Canadian people and that is a very important qualification.

MR. LARTER: — I've never been wrong in my life. I can't remember it. Mr. Minister, the proposed money that you have going into the heritage fund because of these resources — you show something like \$915 million by the end of 1980. I believe it is — I would like to know how much of this is going to be in cash and how much in what you call equity positions?

MR. TCHORZEWSKI: — The amount that is in cash and marketable securities will be \$197.1 million.

MR. LARTER: — Thank you very much, Mr. Minister. I think the people of Saskatchewan (other than the equity position) are going to see many years before they see any money in this energy fund to speak of. The way you're juggling the books and the way you're transferring it to every department of government at the present rate, I don't think you'll even see that \$197.1 million in there.

I would like to comment again on something that happened the other day. When I proposed to the Premier that by your government supporting the concept of Petro-Can — I asked him what the government planned on doing should the Petro-Can credit cards come on stream. I don't think there's any doubt about it. He left the positive view of everyone in this province that the business you now give to the farmer, wholly-owned co-ops through your government vehicles, he was going to split with a government-owned oil company. I would like to know, do you support this business of dumping co-ops?

MR. TCHORZEWSKI: — Mr. Chairman, there is no question in the minds of Saskatchewan people of the support that this government provides and gives to the co-op movement in the province of Saskatchewan. We will continue to provide that support as indicated by the substantial increase in the budget in the Department of Co-operation and Co-operative Development as opposed to the suggestion by the member for Nipawin, the former Conservative member, that we should do away with that

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department altogether. I'm not sure of the position of the members opposite when it comes to funding for the department of co-ops but I think our commitment is very clear in the budget provisions made there and in the policy position of this government as well.

The Premier's answer which is recorded in Hansard is pretty clear for the member opposite and all he has to do is take a look at it.

MR. ROUSSEAU: — Mr. Minister, I'm just questioning your answer to the member for Estevan on the \$197 million in cash and marketable securities. The figure I get is a lot different from the one you just quoted. Would you mind telling me how you arrived at that figure and if you're including in that the amounts owed from the consolidated fund? It has been there a long time and I don't know why you would include that.

MR. TCHORZEWSKI: — The page, for assistance to the member, is page 45 of the budget speech. You will see there is a chart here that talks about the province of Saskatchewan, Saskatchewan Heritage Fund, estimated composition of assets as at March 31, 1981 and under the resources division, current, it says, total current assets \$174.1 million; under energy security, reserve cash and marketable securities, \$2.1 million; for a total of \$197.1 million.

MR. ROUSSEAU: — Mr. Chairman, we talk about misinforming and misleading — the question put to the minister was how much cash marketable securities. Out of that he quotes \$123 million due from the consolidated fund which has been due year after year after year. That is not cash and marketable securities. The fact is cash and marketable securities in all three divisions amount to \$73.5 million, not \$197 million. Thank you.

MR. TCHORZEWSKI: — Just to clarify, Mr. Chairman. They are cash and marketable securities. This amount I use is on deposit; it can be withdrawn at any time and I don't know what the argument is. It is clear in the budget.

MR. ROUSSEAU: — If it can be withdrawn at any time how come it has been there for so long?

MR. TCHORZEWSKI: — Mr. Chairman, as indicated to me it has nothing to do with expenditures and revenues. It is used on occasion to finance the government's short-term capital requirements and that is a perfectly legitimate, perfectly good (management-wise) way of using it.

MR. ROUSSEAU: — The fact remains that it wasn't in cash and marketable securities as you indicated earlier . . . (inaudible interjection) . . . It is not. If it's due, it's still cash — not even in that area.

MR. MUIRHEAD: — Mr. Chairman, I have about 25 questions left to ask the Minister of Finance, but will it take another day or two to do it? Anyway, I have one question I would like to ask you right now. Since you're a finance man, can you explain this to me? If an article shows up in supplementary estimates each year since you've been elected and also shows up the same amount in public accounts and has never showed up in estimates, is this a proper procedure or not, Mr. Minister?

MR. TCHORZEWSKI: — Mr. Chairman, if the member would give me a specific item I

would be able to deal with it. He is dealing in a hypothetical sense; I don't really know what he's referring to and therefore I cannot answer the question.

MR. MUIRHEAD: — Mr. Minister, I don't think I have to give you the specifics right now; I just asked you if it does. Is it the proper procedure or not? I'm not saying if it is or isn't, I'm just saying if there is. Every year since you've been elected, dollars and cents in supplementary estimates, and the matching figure in public accounts, and never, ever ask for it in straight estimates. Is that a proper procedure or is it not?

MR. TCHORZEWSKI: — Mr. Chairman, if the money is spent it will show up either in advance or in the supplementary estimates. It will come before this legislature. There are items in the budget of any province, such as fire suppression, for which one can never predict the amount of money put in because we don't know whether it is going to be dry out there, and there are going to be forest fires which will need X number of dollars or Y number of dollars. That, Mr. Chairman, is a perfectly appropriate and normal kind of procedure, and comes to this legislature for scrutiny as do all other expenditure items provided in the budgets of this government.

MR. MUIRHEAD: — Mr. Minister, I will say this, I know of an item (I'm not going to say which one) . . . (inaudible interjection) . . . You'll find out in due course. There is an item which has been dollars and cents spent since 1971 to 1980 in supplementary estimates and it has also been showing up in public accounts, yet this year they are not asking for anything in 1981 estimates. It is not there. They must know it has to be there because it has been there for seven years in the past. Do you know anything about what I'm talking about?

MR. TCHORZEWSKI: — No, Mr. Chairman, I do not.

MR. MUIRHEAD: — That's fine, next question. I want to go back, Mr. Minister, to this business about jobs. That is where I left off before when we went off onto other questions. This business about the low percentage of jobs in Saskatchewan has got to be the joke of the day because we haven't young people in this province. We have old people, and unemployment should be zero. Where do they go? . . . (inaudible interjection) . . . Oh, listen now, you jokers over there, just listen now. I don't care where you go in this province, go to the Humboldt area or go into any town and say, are there any people from Alberta or Manitoba working in your area? You won't find them. Say, how many have gone to Alberta? And you will get them by the dozens. That is why your unemployment for young people is down. It should be a lot lower. It should be zero, because you don't give them a job; you don't provide and they're gone.

Let's get down to some specifics right now. We spent last Friday in here, Mr. Minister, asking you one plain question, and I ask you again today, and I want an answer. What are you going to do about these people who haven't any money, and their municipalities, hospitals? You've cut back and you know you've cut back so you could balance your budget, but you have skirted around my question every time. When you get up you just take it right to Ottawa and you won't face the issues. The issues are in Saskatchewan and you know they are. What are you going to do about it? . . . (inaudible interjection) . . . I'm still up here and I may just talk the clock out on you this time because you talked the clock out on me last time. You're not getting up; you might as well just relax; you're going to listen to me for two minutes. So you're all through mister, and I'm going to give you one week to go out on your tractor and think up some questions because that's what I had to do. Boy, I just wish you had been there because I

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had some dandies for you.

That was such a nothing speech you made last Friday that I had to forget it. You don't seem to think it's serious but in my constituency of Arm River I have 11 municipalities that have contacted me. I'll give you the names. They cannot balance their budgets, but they are forced to balance their budgets. You people don't have to. You can deficit or whatever you want. You do what you want, but it is against the law for a municipality not to have a balanced budget. You may think you're not going to have some people on the doorsteps of this building when our municipality has to raise its mill rate from 68 to 84 or shut the machinery down.

Now you sit there and you smirk and you think it's a joke, but it's no joke. I guarantee you in the province of Saskatchewan, when the farmers find this out . . . I asked people this week when I was at home, do you know our mill rate is going to be raised to 84, or shut the machinery down? Why, they just about had a fit! You wait until all the municipalities get all their revenue sharing letters out and you'll find out what is going to happen. I may be the one in this province who will see that you get 1,000 people on this doorstep or maybe 2,000 or 3,000 people. If you think there were a lot of people on this lawn out here with that doctors' issue in the '60s, you wait until the people find out there has been a cutback on hospitals and municipalities and small businesses. They are going broke and you know it.

You have evaded the question for two days here. You just take it right out of the province and blame it on the federal PCs. They were only in power for 36 days in the House — 8 days for passing bills — and it's your government that brought them down. You put us into a mess we can never get out of for another 4 years. You know it as well as I know it. Your party is completely to blame, absolutely completely to blame! Don't put the blame on the federal PCs when they had only 8 days to pass bills in the House. It is the most sickening thing I ever heard. We had to listen to him for half an hour the other day and half an hour today. It's all somebody else's fault. We are asking you to do something right here in this province and you're refusing to do it.

AN HON. MEMBER: — He's the minister of alibis!

MR. MUIRHEAD: — Alibis! I never saw anything like it in my life.

The committee reported progress.

The Assembly adjourned at 1:03 p.m.