

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 16, 1982

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

REPORT OF COMMITTEE

Continuing Select Committee

ASSISTANT CLERK: — Mr. Allen from the continuing select committee presented the first report of the said committee which is as follows:

Your committee met and appointed Mr. Allen as its chairman. Your committee wishes to report that the following resolution has been adopted: that a select committee of six members, to be named at a later date, be appointed to inquire into the advisability of developing a system of athletic awards and assistance in Saskatchewan.

WELCOME TO STUDENTS

MR. SOLOMON: — Thank you, Mr. Speaker. I rise on behalf of the member for Regina Centre, Mr. Ned Shillington, to introduce to you, and through you to all members of the Assembly, 40 students from the Regina Plains Community College. They are adult students who are taking the occupational English course there. They are accompanied by Joanne Zilkman, their teacher. On behalf of all members I would like to welcome them to the Assembly. I hope you enjoy your visit here this afternoon. I will be meeting with you around 3 o'clock for pictures and refreshments. I ask all members in the Assembly to join with me in that welcome.

HON. MEMBERS: Hear, hear!

QUESTIONS

Disclosure of Budget Information

MR. ANDREWS: — My question is to the Minister of Finance. News reports, Mr. Minister, particularly CBC television last evening, have stated that they have contents of certain programs to be announced in your upcoming budget on Thursday. I wonder if the minister would be prepared to deny to this Assembly the accuracy of those reports and the accuracy of certain specific programs contained in that report.

HON. MR. TCHORZEWSKI: — Mr. Speaker, I am aware of the news report on the CBC. As far as the content of the story is concerned, I don't intend to confirm or deny most of it since all but one of the measures speculated about have no immediate application. Mr. Speaker, as far as I am concerned, I am not aware of information that may have, to my knowledge or the government's knowledge, been made available in the story. I know the story, but I am not, at this point, prepared to confirm or deny it.

MR. ANDREW: — My question is to the Premier. Mr. Premier, in 1979 another finance

minister in your government leaked certain budgetary documents prior to budget. Now, at that time you refused to ask for his resignation, but you did say this in *Hansard*, Mr. Premier:

This is a serious matter. We do believe that it calls for considerable tightening of our procedures. I give the House my undertaking that that will be done. I ask this House to accept that.

I wonder if the Premier might tell this Assembly just exactly what he has specifically done to ensure that budget documents are not, in fact, leaked and are kept confidential until the day of budget debate.

HON. MR. BLAKENEY: — Mr. Speaker, I think we need to draw some distinctions between budget documents which are ordinarily kept confidential and budget documents which are not kept confidential. It's useful, I think, to point out that a budget does not mean the same thing in our parliamentary tradition here . . . (inaudible interjections) . . . I wonder if the hon. members opposite might just withhold their guffaws until I've had an opportunity to outline the position. All right, I will attempt to outline it.

In Britain or in Ottawa a budget is one virtually exclusively dealing with money-raising activities. The money-spending activities are in the estimates, which are laid before the House, outlining the budgetary spending program at a different time, and nobody, so far as I am aware, has ever maintained that the budgetary spending program required any particular measure of secrecy.

Mr. Speaker, estimates are very frequently laid on the table in Ottawa at all manner of different times, and there is no particular measure of secrecy with respect to whether or not money is going to be spent on a program. Indeed, it is frequent to hear a cabinet minister say, "Yes, we will build the airport, and the money will be in the budget for the next year or the next year." . . . (inaudible interjections) . . . All right. So the point then is that we draw this distinction between budgetary-raising and budgetary-spending matters. I have looked at the story that appeared in the *Leader-Post*. I did not see the story on CBC, but I had a transcript provided to me, and I noted that virtually everything had to do with the budgetary-spending program of the government. Accordingly, it would be the sort of thing which would be speculated about, and we very frequently speculate about it without anyone suggesting that secrecy should be imposed. There was an exception to that with respect to one taxation measure, which would have been ordinarily part of a budget as defined in the Westminster or Ottawa tradition. I think that that point is a valid point which I would want to concede.

With respect to the specific question by the hon. member, I have indeed invited ministers and asked ministers of finance to do their best to see that information with respect to the budget was not widely disseminated. This should have been consistent with the policy of consulting widely throughout this government as to the specific impact of any measures we propose to include in the budget and of getting the best information we could from our public service as to the likely impact of any particular program. Those are the trade-offs one makes and we have continued to do that. I regret the detailed information which appears to have been made public but I do not regret the fact that we consult widely throughout the government to obtain the best information we can as to the likely impact of the spending programs which will be contained in the budget.

SOME HON. MEMBERS: Hear, hear!

MR. ANDREW: — A question to the Premier. Is the Premier indicating budget secrecy is important in 1979; the traditions of parliament that have been in existence for hundreds of years are now no longer important to you; you can announce budget expenditures whenever you want, a few here, a few there, before the budget comes down and there is precisely nothing wrong with that? Is that what the Premier is saying and is that not showing the same contempt for parliament that was demonstrated by the Minister of Finance saying that that might be the tradition in Britain but it is not the tradition in Saskatchewan?

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — With respect to spending programs of the government, that is exactly what I am saying: that the government can announce a spending program when it wishes and it is in no way committed to announcing that in the budget. My colleague, the Minister of Tourism and Renewable Resources can announce that he proposes to spend \$10 million in the Cypress Hills Park and he can do it a month before the budget or a month after the budget and it is in no sense a breach of any tradition of the British parliament.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — Would the Premier be prepared to give in some detail, as he did back in 1979, the steps that he has himself taken as a result of the budget leak to rectify the leak and determine the source of the leak?

HON. MR. BLAKENEY: — Mr. Speaker, I have consulted with my colleague the Minister of Finance and with his senior officials. They are attempting to find out where information may have been obtained by the members of the press. I do not now wish to indicate whether or not the information is accurate in all of its details. I am not now commenting on that. It is clear, however, and I concede that fact, that the press seems to have obtained some details of the upcoming budget. I cannot advise the House how that came about. I know my colleague the Minister of Finance and his senior officials are looking into this with vigour.

MR. LANE: — One tax was, in fact, mentioned. There could well be others. There was also an indication in the press that perhaps other information is available. Given the Premier's initial statement that giving out program information and freeing it to the public is a good thing (although contrary to every other principle of the British parliamentary system), what action have you taken and what revenue losses have you determined, if any, as a result of the taxation leaks that have been announced or other information that may be out?

HON. MR. BLAKENEY: — Mr. Speaker, we are unaware of any particular loss of revenue. However, I have asked the Minister of Finance to address this particular matter which the hon. member raises, and my colleague, the Minister of Finance, will have something further to say about it under ministerial statements in about 25 minutes.

MR. THATCHER: — A question to the Premier. Since the Premier of this province has rewritten tradition of several hundred years today, and in light of the fact that a couple of years ago he regarded a very similar matter to be (I think I'm being fair when I say you used the term) "a very serious matter," would the Premier tell me, other than the fact that he is now batting 500 (we've had four potential budgets and two leaks) what has changed between the last time there was a leak and today, March 16, when there has

been another leak, that you don't consider it serious? May I, in fact, interpret your comments to potentially mean that. Was it not incompetence or betrayal on the part of the Department of Finance, or was it a deliberate leak on the part of the New Democratic Party?

HON. MR. BLAKENEY: — Mr. Speaker, the hon. member gives us credit for more guile and less integrity than we have. I think that in this case almost every revelation is one with respect to a spending program of the government. And I think that the taxation information was serious; I don't want to deny that. It is, however, a tax measure which is widely anticipated and widely speculated upon because I think that virtually every budget we have introduced has increased tobacco taxes. So that is not perhaps a surprising speculation. We are of the view that the industry generally hedges against that particular eventuality since it so frequently occurs.

As I recall, and I stand to be corrected, the budget of a couple of years ago had more taxation measures in it and, accordingly, to that extent was a more disturbing revelation. With respect to spending programs, again I want to say that it is the custom of other governments to lay estimates before the House before the budget is brought in on occasion. I have heard the Premier who preceded me in this office announce over a period of weeks things which would be in the budget, spending programs which would be in the budget, and this was perfectly proper. I was done then, and I know the hon. member for Thunder Creek will recall that. There is nothing improper about that. Our government decided to attempt to group its spending proposals in a budget. We didn't have all the success we might in grouping them all in the one day, it appears from the announcements, but I repeat again it is in no sense a breach of the traditions of parliament to have spending programs announced other than in the budget.

MR. THATCHER: — Supplementary question to the Premier. Mr. Premier, you may recall that the last time there was a budget leak we wasted a good deal of time on a minister who didn't have enough class to resign. Mr. Premier, we called for that resignation at that time. Mr. Premier, if you recall you defended that minister very adamantly and then very quietly some months later demoted him and created a very junior cabinet post for him. My question to you now, since obviously in your eyes this Minister of Finance is probably finished, is: would you speed up the process and show some leadership, show that there is some competency left on that side of the House, and demote the minister right now?

HON. MR. BLAKENEY: — Mr. Speaker, I had no present intention of accepting any resignation from the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — The Minister of Fiancé was good enough, and I think it shows a good deal of integrity on his part, to offer a resignation and to offer it in writing. I have not accepted it. I have no present intention of accepting it. If some error or neglect on his part, or on the part of any senior official can be demonstrated, that clearly will be reconsidered. I think that the minister did not believe that he should submit his resignation in the sense that any parliamentary tradition required it. He did, however, allow me to make that judgment and not him. He therefore presented to me his resignation. I reached the conclusion that nothing in our parliamentary tradition required or even suggested that I ought to accept it, and as I indicated I have no present intention of doing so.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — We have a rather shocking admission by the Premier that the Minister of Finance offered to resign. The Minister of Finance, in other words, has told the Premier that he views the matter as extremely serious. At the same time the Premier says it's not serious. It's obvious, Mr. Premier, that if the Minister of Finance feels that this leak was serious and offered his resignation that you should have followed British parliamentary tradition and accepted it immediately. We ask the Premier now why he has taken it upon himself to throw out British parliamentary tradition, rejecting an offer of resignation by the Minister of Finance, and why does he not take it as seriously as the Minister of Finance does?

HON. MR. BLAKENEY: — Mr. Speaker, the hon. member for Qu'Appelle, I think, did not listen to my last remark. I had not only a written resignation from the Minister of Finance but I also had a conversation with the Minister of Finance. I indicated already that in my judgment — and in his — nothing called for a resignation. He, however, feeling that he ought to give me the full opportunity to make a judgment on that, completely uncluttered by any suggestion that I might have to ask for it, tendered it because it dealt with the budget and because there was a matter of taxation dealing with tobacco tax in the revelation. I considered the matter and have reached the firm conclusion that no information I have now indicates in any way that that resignation should be accepted, and I say again I have no present intention of accepting it.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — The Premier seemingly all alone has promoted the theory that if you announce programs it's all right to leak them but if it's revenue it's not all right. He falls into a bit of a trap here on what actions he has taken but does the Premier extend his new theory of budget secrecy to the announcement or proposals of capital expenditures or property acquisitions as part of a program being announced in advance — is it proper procedure to have information like that leaked? Would the Premier accept that as being fair and proper given his earlier answers?

HON. MR. BLAKENEY: — Well, under given circumstances, of course. We acquire a large number of parcels of property over the course of a year (the Government of Saskatchewan) and so far as I am aware they are virtually never announced in the budget, so obviously they are announced at some other time than in the budget. We clearly try not to give advance information so that anybody can profit from the knowledge, but that's got nothing to do with the budget — that is the practice which any government attempts to follow at any given time. I think of the city of Regina and our acquiring property for a courthouse in recent months or recent years. That was not announced in the budget and would not be announced in the budget — the parcel that we are going to obtain.

AN HON. MEMBER: — Was it leaked in advance?

MR. BLAKENEY: — It was not leaked in advance but, of course, there is not information in this budget that was leaked in advance in the sense that anyone could profit from it. I invite hon. members when the opportunity presents itself to indicate just what information is available that people can profit from.

MR. BERNTSON: — Mr. Speaker, a question to the Premier. We on this side of the House

view this as a very serious breach of parliamentary tradition and convention.

AN HON. MEMBER: — So does the Minister of Finance.

MR. BERNTSON: — So does the Minister of Finance, indeed. The Premier seems to look upon this rather lightly and in fact, I think, wrote it off in the press last night as being mere speculation by the press.

I have here, Mr. Premier, something that is a little more than mere speculation. In fact, it is a request to the treasury board from the Department of Tourism and Renewable Resources. It deals with capital expenditures dealing in millions of dollars, land acquisitions dealing in millions of dollars. We have here, Mr. Premier, something far more than a leak — virtually a sieve. Admittedly this may not be in the budget, but falling into the wrong hands the potential for profiteering (I am sure even the Premier will admit) is more than just a little bit. The Premier, in 1979, when he was talking about the leaks said he viewed this as a serious matter. He said:

We do believe it calls for considerable tightening of our procedures. I give to the House the undertaking that that will be done. I ask the House to accept that.

Obviously, the Premier has given us an undertaking that he hasn't been able to live up to. It is far more than a leak; it is a sieve. What are you going to do to tighten up these procedures?

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, with respect to the provisions dealing with the application of due taxes, we certainly will attempt to tighten up our procedures.

With respect to the general spending programs and new programs which we propose to introduce this year and in the budget following that and the budget following that, I would want to advise hon. members that we are following a practice of consulting widely throughout the government as to the impact of our proposed spending programs and we do not intend to change that. There is a risk of disclosure but the benefit is that we are able to advise the public soon after a budget is brought down of what the details of the proposals in the budget are all about.

Now the other custom that the hon. members are urging upon us is the one used in Ottawa whereby the budget is made up by a very small group and nobody in the government knows what the proposal is until it is brought down; when you want to find out what the details of the program are, nobody knows. I know that because I am trying to find out the details of Mr. Cosgrove's program with respect to dire straits assistance for mortgage owners and I can't find them out yet. It is now March and they brought down the budget in November. That type of budgetary management, urged by members opposite, is not the one we propose to follow.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — We propose to consult widely so we will be able to respond to the public quickly with respect to the details of the programs announced. That carries with it the risk that there may be premature disclosure and it carries with it the benefit that we will be able to respond to the public very soon after the budget is brought down.

You will see after Thursday how quickly we respond with respect to the details of provisions in the budget.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — A question to the Premier. I note the presentation of this document has brought a great deal of laughter from that side of the House. There are documents in there and I invite you to challenge the member to table them. There are capital plans in there, land acquisitions, going right through to 1984. In other words, Mr. Premier, even your treasury board isn't immune from leaks and disclosures. You may laugh this off if you wish, Mr. Premier, but the fact that documents are being taken from your department indicates a total lack of competency in running your government. My question is this: in the light of the CBC disclosures, the documents here, what are you going to do about it? And don't tell me people can't profit by disclosure of that document, which is the whole department's intentions for three years.

HON. MR. BLAKENEY: — Mr. Speaker, I think we will all agree that this has nothing to do with the budget. I know hon. members opposite are not now in any way linking the document referred to by the member for Souris-Cannington with anything which has happened with respect to any prior disclosure of items which may be in the budget for Thursday. That is true. I think members opposite are not even alleging that has anything to do with the upcoming budget. He raises a very real issue that governments have to grapple with. They certainly have to prepare material so that longer range planning can be done. It has to be widely circulated so that we may get opinions from all manner of people who may have expertise with respect to the development of a program for the Department of Tourism and Renewable Resources, and we clearly run the risk of disclosure to persons who may not be involved in that process. I simply do not know what is in the document referred to by the hon. member opposite. It is a risk which any government faces. We simply have to do our best. I gather hon. members opposite do not think that the best in this regard is good enough.

MINISTERIAL STATEMENTS

Contents of Budget

HON. MR. TCHORZEWSKI: — Mr. Speaker, there has been considerable discussion of this issue during question period, but I do want to make a statement.

Yesterday there were news reports which speculated on the contents of the budget, which I will be presenting on Thursday of this week. Since the news reports claimed to be authoritative, I wish to make a statement to members of this Assembly.

First, I would like to review the nature of our budget process again. Our budget policies are discussed widely throughout the public service. We believe that an open process is necessary to ensure that our policies are sensitive to the needs of Saskatchewan people.

Mr. Speaker, I believe that the budget which I will announce on Thursday will demonstrate that we are indeed sensitive to the needs of Saskatchewan people. Our budget will not be like the recent Ottawa affair that was drawn up by a small group of officials who were closeted away in an ivory tower. No, our budget process is fundamentally different from the process in Ottawa and the process in Westminster.

Firstly, our budget is both a spending and a revenue document, as the Premier has indicated. In fact, the largest part of our budget relates to the tabling of the estimates. This, of necessity, means that our budget will be widely discussed beforehand . . . (inaudible interjections) . . . As soon as the members are prepared to listen, Mr. Speaker, I will continue.

By comparison, the budgets in Ottawa or Westminster are concerned largely with revenue and taxation, and many of their measures are significant tax changes which can affect the profitability of corporations. They are measures where prior knowledge could lead to financial gain. Not so with Saskatchewan. Most of our tax measures are not sensitive to timing and problems of prior knowledge.

This point can be demonstrated by looking at our last two budgets, if I may use an example to demonstrate. In 1980 we introduced a corporation capital tax for large corporations. This new tax was made effective 18 days after the budget speech. Last year, we reduced the tax rate for small businesses. This change was made retroactive to January 1. Neither measure would have caused a problem if known by anyone in advance. No one could have gained from prior knowledge. The same is true for this year's budget.

Many parts of this year's budget have been widely discussed internally, and the budget and the people of this province are the better for it. Unfortunately, this openness has its drawbacks. It increases the risk that some information may fall into the hands of the media or others. In most cases the prior knowledge of budget information is harmless. We have very few secrets.

The principle we apply to budget information is whether prior knowledge could lead to any financial profit or gain. Even if correct, the information contained in yesterday's news reports could not lead to any financial profit or gain. Indeed, I believe that if the whole contents of the budget speech were released in advance, there would be no opportunity for financial gain. Nonetheless, some budget information has appeared in the media, and I do regret this. My officials have launched, at my instruction, an internal investigation to determine the source of the information. I am also taking steps today to ensure that no one has even a remote opportunity for financial gain.

One of the measures cited in the news report was an increase in the tobacco tax. In order to be absolutely certain that there is no possibility of financial gain, I wish to inform members of this Assembly that the tobacco tax will be increased by 5 cents per package of 25; the tax on cigars costing over 40 cents each will be increased by 2 cents, and the tax on tobacco will be increased by 2 cents per 25 grams. All of these changes which are contained in the budget speech will be made effective at midnight tonight instead of midnight Thursday.

MR. SPEAKER: — Order, order! I wonder if we can have order, perhaps on both sides of the House, when further statements are heard today.

HON. MR. TCHORZEWSKI: — This was the only tax change which was intended to take effect on budget night. Any others will take effect at an appropriate time after the date of the budget.

Let me now turn to other parts of the news report. First, let me indicate that some of the information contained in the news report is not correct. And second, only a small part

of the budget is contained in the news report. Mr. Speaker, I wish to indicate to members of this Assembly that the budget will contain a broad series of measures designed to help Saskatchewan people cope with high inflation and high interest rates. Beyond this, I believe it would not be proper to comment about the other measures in the news report. Mr. Speaker, I know the members opposite can hardly wait, but Thursday will come soon enough — too soon for them.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TCHORZEWSKI: — None of the other measures in the news report, whether true or not, could lead to any profit or gain. I want to close by saying that I deeply regret the circumstances in which this information has become public. However, the great majority of the budget remains undisclosed, and it will provide much needed help to Saskatchewan people. From the comments of the critic of finance I know he is already preparing himself to support it when it is brought into the House.

SOME HON. MEMBERS: Hear, hear!

MR. ROUSSEAU: — Thank you, Mr. Speaker, I find it difficult to believe what I just heard from the Minister of Finance today. In fact a precedent was set in this Assembly today for years to come. We can now expect two budgets a year or perhaps a multiple of that. It surprises me, Mr. Speaker, that the minister would say today in this Assembly that only a small part of the contents of the budget was announced in the news item on CBC last night. But I would like to inform the minister that if a small part of the contents of that budget can be released, then all it could have been leaked out as well. So, therefore, Mr. Minister, the leak of one small part doesn't make your error or your mistake or your incompetence or whatever tag you want to put to it any smaller because only one small part of it was leaked. The fact is all of it could have been leaked at the same time. He started out his comments today, Mr. Speaker, by saying that the budget will indicate the sensitivity of the government to the people of Saskatchewan. I wonder how sensitive they have been in the past two or three years with the increases in the taxes that we have seen in this province. Just this year we had an announcement by the minister in charge of Sask Power that our natural gas rates are going to go up by some 40 per cent — 18 in February and 18 again in August. I wonder how they feel about the taxes that SGI has imposed on the people of this province in the past . . .

MR. SPEAKER: — Order! I felt the Minister of Finance when he was making his ministerial statement tended towards an explanation in part rather than a policy statement. So I've been very liberal with the member for Regina South, but I think the member for Regina South when he gets onto the subject of utility rates is off the subject, because the rules are quite clear. Order, order! The rules are quite clear with regard to a response, which is accorded as a courtesy in this House; the response must be a brief, strictly relevant comment. I urge the member for Regina South to maintain that.

MR. ROUSSEAU: — Thank you, Mr. Speaker. I will make a couple of more brief remarks on it because the minister did indicate the sensitivity by which the government was bringing down his budget. I say to you that based on the information that was provided to the media last night and to the people of Saskatchewan it was a very callous budget. The information is callous, since we have been asking for three years now for the removal of the sales tax on children's clothing, of finally doing it. Ours is the only province in Canada that has had that tax. We have also asked, for example — again dealing with the information that was released last night — for the tax on the farm . . .

MR. SPEAKER: — I think it is clear the member is getting into debate prematurely on the budget. Order, order! The member is debating the budget; really that is what he is doing, and . . . Order, order! I've warned the member for Regina South once, and encouraged him to stick to the established rule that the comment that is given by the person who speaks on behalf of the opposition has to be strictly relevant to the ministerial statement which was made.

MR. ROUSSEAU: — Thank you, Mr. Speaker. I will indicate also at this point then that it is shocking, that it is a breach of the British parliamentary tradition that a leak of this nature in the budget is made. The Premier tried to indicate that because the British parliament and Ottawa do not include spending estimates in the budget that they did not break tradition or breach that tradition in this Assembly this year. The omission by the Premier was that in fact if they go by what is in the budget there was a breach of that tradition on the basis that in our budget we do include both the expenditures and the revenues. Therefore, Mr. Speaker, the minister has offered his resignation, and rightly so. He saw the error in his ways. He saw the problems of his department. The Premier has refused to accept that. I would only like to suggest at this point in time that the Premier should now immediately call an election and let the people of Saskatchewan . . . (inaudible interjections) . . .

MR. SPEAKER: — I'm hoping the Premier doesn't take that encouragement too seriously because I have a couple of announcements I want to make.

ANNOUNCEMENTS

Introduction of Guest Clerk

MR. SPEAKER: — I beg to inform the Assembly that Mr. Austin Zvoma, Esquire, Assistant Secretary at the Table of the Parliament of Zimbabwe, will be guest Clerk at the Table for the duration of this portion of the session for the purpose of study and observation.

Mr. Zvoma is a family man, married with two children. He received a bachelor of arts from the University of Zimbabwe in 1973. He has taken university classes including theology, philosophy, English, Greek and Roman civilization, and I could observe that he will have an opportunity now to take a practical class in Saskatchewan studies while he is here.

He taught school until 1978. He worked with the department of customs until he became the Assistant Secretary of Parliament of Zimbabwe on January 1, 1982. I'm sure all members will join with me in making him welcome during his stay in our legislature.

HON. MEMBERS: Hear, hear!

Legislative Librarian

MR. SPEAKER: — I want to deal with a second announcement. Today I want to officially announce the pending retirement of Miss Christine MacDonald, the legislative librarian. Her retirement will come about on April 30, 1982, after 36 years of service in the Government of Saskatchewan.

Miss MacDonald is a graduate of the University of Saskatchewan and of the University of Toronto. She began her career with the Saskatchewan Legislative Library in 1946 as a cataloguer for both the Legislative Library and the Saskatchewan Archives. In 1965 she was appointed to the reference library, and in the following year accepted the position of assistant legislative librarian. Miss Macdonald became acting librarian in 1971 and was appointed legislative librarian in 1973.

Consequential to that I want to announce that the board of internal economy of this Legislature has unanimously accepted the recommendation of me, as Speaker, for the appointment of Marian J. Powell as the new legislative librarian. A suitable news release will be issued at about this time, and members will have the opportunity later on when Mrs. Powell takes over her position as legislative librarian at the beginning of May to meet her.

STATEMENT BY MR. SPEAKER

Budgetary Leak

MR. SPEAKER: — Last evening a point of privilege was raised by the hon. member for Kindersley that budget information had been released by CBC television prior to the presentation of the budget. Parliamentary privilege is defined by Sir Erskine May's Parliamentary Practice, 19th Edition, page 67, as:

... the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by members of each House individually, without which they could not discharge their functions ...

The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers." They are enjoyed by individual Members because the House cannot perform its function without unimpeded use of the services of its Members; and by each House for the protection of its Members and the vindication of its own authority and dignity.

It is not the role of the Chair to determine whether in fact there was a premature release of budget information. From the citation just quoted, it is clear that even if there was a disclosure of this information it would not impede the House or individual members in the performance of their duties and, therefore, would not constitute a prima facie case of breach of privilege.

PRIORITY OF DEBATE

Leak of Budgetary Information

MR. BERNTSON: — Mr. Speaker, rule 39 is as follows:

A motion may in case of urgent and pressing necessity previously explained by the mover be made by unanimous consent of the Assembly without notice having been given under rule 38.

Mr. Speaker, the matter of the budget leak that the members opposite seem to take

rather lightly, couple with the obvious very, very serious leak from the Department of Tourism and Renewable Resources, causes us to believe, and in the absence of action taken by the Premier as he committed to this House in 1979 after that budget leak, causes us on this side of the House to view this matter in a very, very serious way. Therefore we ask, Mr. Speaker, with leave of the Assembly:

That this Assembly dissolve itself into the committee of the whole House with the power to call witnesses, documents, and to receive evidence under oath relative to the matter of the budget leak and other leaks brought to the attention of this committee, and that this committee report its findings to the House, and recommendations with all convenient speed.

I move this, seconded by the member for Thunder Creek.

MR. SPEAKER: — I notice a couple of small, technical considerations with regard to the motion but other than that I find the motion in order. This motion requires unanimous consent of the Assembly under rule 39 to proceed. Does the motion have unanimous consent?

There is no unanimous consent, therefore the motion will not be proceeded with.

MR. BERNTSON: — Mr. Speaker, under rule 16:

A motion may be moved every other Tuesday immediately following questions and motions for returns (not debatable) on order of the day with the topic of the debate to be chosen by government and opposition members alternately.

The said debate shall not exceed 75 minutes with the mover of the motion having a maximum of 15 minutes to speak to the motion, or an accumulated total of 15 minutes to move and close debate. Each member speaking to the motion shall have no more than 10 minutes in which to speak in the debate.

Notice of motion may be given orally in the Legislative Assembly under routine proceedings on the preceding Friday and written notice shall be tabled no later than 11 a.m. on the preceding Friday. Notwithstanding anything else herein contained, notice of debate may be waived with unanimous consent.

Recognizing, Mr. Speaker, that this House wasn't sitting last Friday, and recognizing that notice couldn't be filed last Friday, I ask unanimous consent of this House:

That this Assembly dissolve itself into the committee of the whole and that committee have the powers to call witnesses and documents, accept evidence under oath, and that that committee report its findings and recommendations back to the Legislative Assembly with all convenient speed.

I will have the motion ready in a minute.

MR. SPEAKER: — Order! The Leader of the Opposition has brought forward a motion under rule 16, which requires unanimous consent of the House to waive the notice which was not given and could not be given. I would ask the Assembly at this point,

under rule 16(3), whether it wishes to give unanimous consent to proceed.

ORDERS OF THE DAY

SECOND READINGS

Bill No. 01 — An Act to incorporate the Bishop Andrew Roborecki Foundation

MR. MOSTOWAY: — Mr. Speaker, I move that bill No. 01, An Act to incorporate the Bishop Andrew Roborecki Foundation, be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 02 — An Act to amend An Act to incorporate Radville Christian College

MR. PEPPER: — Mr. Speaker, I move that bill No. 02, An Act to amend An Act to incorporate Radville Christian College, be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 03 — An Act to provide for exemption from taxation of certain property of the Nelson Lake Lutheran Bible Camp Association, Inc.

MR. MATSALLA: — Mr. Speaker, I move that bill No. 03, An Act to provide for exemption from taxation of certain property of the Nelson Lake Lutheran Bible Camp Association, Inc. be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 04 — An Act to amend An Act to incorporate the Briercrest Bible Institute

MR. ENGEL: — Mr. Speaker, I move that Bill No. 04, An Act to amend An Act to incorporate the Briercrest Bible Institute, be now read a second time and referred to the select standing committee on private bills.

Motion agreed, bill read a second time and referred to the select standing committee on private bills.

MOTIONS

Resolution No. 1 — Public Utilities Review Commission

MR. ROUSSEAU: — Thank you, Mr. Speaker. This is not the first time that we have debated this motion in this Assembly. It's been here every year since I have been a member of this legislature and I understand it was here many years prior to that — as long, I believe, as the NDP has been the government in Saskatchewan. However, it's

interesting to note that already, although the Attorney General says it's not a new idea, it is one that is finally getting through to the members opposite. And I say that based on the information that was leaked from the budget yesterday, because in the motion, Mr. Speaker . . . As a matter of fact I stand corrected, Mr. Speaker. I was going to suggest that they were listening to us because the one part of it is in and that is the children's' clothing. The motion includes the removal of the provincial sales tax from Sask Tel and Sask Power bills, that public utilities be frozen for a period of one year and that a public utilities review commission be established to justify rate increases prior to implementation.

I recall vividly the arguments given last year, particularly by the member for Wascana, now the Minister of Culture and Youth, in opposition to this particular motion. He came armed one evening and one afternoon, I believe, with statistics a mile long about rate increases everywhere else in Canada, about all of the other bad governments in Canada, about all the reasons we don't need a public utilities review commission here. I'm going to be very brief with my remarks today because as I say the debate has taken place so many times and for so long in this Assembly that there is very little use in arguing with, or talking to, deaf ears across the way. Now he came armed with the statistics but omitted to bring in the facts of the Saskatchewan figures, or whatever he did was not very accurate.

Now before I get into some of the figures that I want to mention today, I want to discuss the same document that the member for Wilkie was referring to last night in the short speech that he made in this Assembly, and which is put out by the NDP research caucus. There's a statement on page 3 of that document, Mr. Speaker, that says:

In Saskatchewan, rate increases are reviewed by the legislature. Some other provinces like Alberta have public review boards. Clearly, Saskatchewan's system is a most effective way of keeping rate increases down.

Mr. Speaker, I would call that a blatant falsehood. Because first of all when we talk about rate increases, we're talking about what is going to happen in the future. And every member on that side of the Assembly knows full well that the only period of time that can be reviewed in Crown corporations is the previous fiscal year of that Crown corporation. And interestingly enough, even as recently as yesterday, I noticed on my desk a report. Yes, here it is. Here's a report that was tabled yesterday, Mr. Speaker — "Saskatchewan Crown Corporation Pension Funds, 1980," and we're now in 1982. Now if we were to get into Crown corporations with this, you know what we would be discussing — something which happened almost three years ago. They have the audacity to come in here and say that in Saskatchewan rate increases are reviewed by the legislature. As a matter of fact, Mr. Speaker, there has never been a public utility rate increase announced in Saskatchewan during a sitting of the legislature, simply because the government does not want to discuss or debate rate increases. They bring them in between sittings, as they did this winter, when the House was not sitting. They will bring one in after the session is terminated. So, to make a statement like that, that in Saskatchewan these are reviewed by the legislature — and I repeat myself on that point — is a blatant falsehood. It is not reviewed by the legislature. They will not allow it to be reviewed by the legislature. As long as this government is in, it never will be reviewed by the legislature.

Mr. Speaker, I can assure you a review commission will be established next year because we will do it as the Government of Saskatchewan.

AN HON. MEMBER: — You'll be old and bald before then, Paul.

MR. ROUSSEAU: — I'm bald already. You have good timing, Mr. Minister.

Mr. Speaker, I want to take just a few minutes to tell you why we need a public utilities review commission in Saskatchewan. In 1971, the NDP came to power in Saskatchewan. At that time, if you will permit me a minute until I find my . . . Somebody's been over to my desk . . .

Mr. Speaker, I apologize to the Assembly for being . . . I have it. I want to review and point out to the Assembly what this government has done to the people in Saskatchewan when it comes to rate increases. I want to use natural gas prices as they were in 1971 and as they are today.

In 1971, the natural gas prices in the province of Saskatchewan were broken down into five categories: residential, small commercial, large commercial, small industrial and large industrial. The rates went from 76 cents per 1,000 cubic feet to 28 cents per 1,000 cubic feet. Today, that rate is \$3.40 per 1,000 cubic feet. As the minister in charge of Sask Power announced this winter, the rate will be \$4 per 1,000 cubic feet. a percentage increase effective August of this year will be as follows: a 426 per cent increase in residential, 506 in small commercial, 700 in large commercial, 876 per cent in the small industrial, and 1,329 per cent in large industrial.

The Minister of Culture and Youth, or the member for Regina Wascana, last year omitted to talk about these rate increases. He liked to refer to some of the other provinces. But, interestingly, he didn't agree. We talk about rate increases and blame, and of course at that time they were blaming someone else; it wasn't their fault. But at the same time as they were increasing 18 per cent last February, a utilities corporation in Alberta was reducing its rate. That's because it had to go before the public utilities review commission. Mr. Speaker, the same thing applies to electrical rates.

Again in their brochure which was just mailed out recently, they indicated that Saskatchewan's rate of increase was 96.5 per cent. They went back a couple of years instead of bringing it up to date, because the true figure for the increase in power rates, Mr. Speaker, is not 96.5 per cent. It is 275 per cent. It is, because your rate today is \$3.74. This is information given to me by the officials of Sask Power, by your officials, Mr. Minister. But it is \$3.74 per kwh. Right? Well, 3.74 cents, I'm sorry. In 1971 it was 1.36 cents. This is information given to me by your officials which is where I got it. There is not point in trying to get it anywhere else — go to the place and to the source.

That's an increase, Mr. Minister, of 275 per cent, not as you indicate to your constituents or to the people of this province — 96.5 per cent. This information was released to the voters or to the people in your constituencies very recently, but you didn't bring it up to date. You chose rather to indicate the increase up until 1980 — not very honest in my opinion.

Mr. Speaker, we have indicated again and we are committed, once forming the government of this province, to freezing the public utilities rates for a period of one year, and to removing the sales tax which again is a contributor to inflation. Any time we have a tax based on utilities, or a sliding tax such as a tax that we have on gasoline today, it contributes to inflation.

One final point that I would like to make refers to a report that was tabled in this

Assembly yesterday — the SGI report. The minister says it was a good report, and I must admit it is a better report. I just want to point out to the minister of charge of SGI (and the reason, of course, why we need a public utilities review commission is because this kind of dishonesty would not be allowed with a public utility review commission) that contrary to the \$10.9 million profit that they showed in the report, in truth that report or that AAIA (Automobile Accident Insurance Act) fund or operation last year showed a loss.

I'll tell you why it showed a loss. Because they use a figure of last year's average of 16 per cent interest on money. There was \$72 million borrowed by SGI from the government, interest free. The cost of that is borne by the taxpayers of Saskatchewan, Mr. Minister, and if you apply the 16 per cent benefit or value or interest cost of that money to your statement, that amount alone is over \$12 million. So if you applied the money to your statement or to your report of 16 per cent interest on your borrowings of \$72 million, balanced out you would have shown a loss in excess of \$1 million.

Although they have improved (it's a little better, because it almost breaks even), certainly the operation of SGI has not improved under the minister's guidance, because simply with an additional \$70 million in revenue that Crown corporation showed, falsely, a \$10-million profit.

So having made those few remarks, Mr. Speaker, I so move, seconded by the member for Wilkie:

That this Assembly recognize that public utilities are of special concern to everyone because of the essential services they provide and that this Assembly recommend: (1) that the provincial sales tax be removed from Sask Tel and Sask Power bills; (2) that public utility rates be frozen for a period of one year; (3) that a public utilities review commission be established to justify rate increases prior to implementation.

MR. GARNER: —Well, Mr. Speaker, I am very pleased to second this motion of my colleague, Mr. Rousseau, the member for Regina South. I guess we talked about the NDP government's flirting with the truth last night and I guess we can talk about their flirting with the truth today. We hear all the time the NDP saying, "Well, you know, the opposition has a great number of chances to respond every time we have a rate increase." That's not true, Mr. Speaker, because every time the session is not in is the time the government decides to bring forth the rate increase. If we are in Crown corporation meetings . . . (inaudible interjection) . . . I won't even bother talking to you.

Mr. Speaker, I will not be dragged into the gutter of politics today by the zeros on the other side. This is going to be the highroad today.

We hear the minister talk about it only going up a few percentage points; let me give you just a few figures. Sask Power rate increases for residences in 1975: 25.6 per cent in August. I know this Chamber wasn't sitting in August. No. 1976, July: 12.1 per cent. 1977, August again: 19.2 per cent. The Chamber wasn't in session. Then we go to 1978 and surprise, no increase — election year. But that didn't happen in 1982. We'll go to 1979, June: 7.3 per cent. 1980, August: 9.6 per cent. 1981, August again: 12.7 per cent. This gives a total 86.5 per cent increase since 1975 to the people of Saskatchewan, Mr. Speaker.

Now we'll take a look at the commercial rate. 1975, August again: 20.6 per cent, 1976, July: 9 per cent. 1977, August: 12.3 per cent. And, of course, we hit that year, 1978, when there was no increase. 1979, February: 5 per cent. 1980, February: 11.8 per cent. 1981, February: 12.67 per cent. 1982, February: 12 per cent. Mr. Speaker, this gives a total 83.37 per cent increase since 1975 on the backs of the taxpayers of Saskatchewan.

Now we'll go to general service: 1975, August: 12.9 per cent. Once again the session was not on, Mr. Speaker. 1976, July: 13.2 per cent. 1977, August: 16 per cent. Of course we had that year 1978 when there was no increase. They were quite consistent that year. 1979, February: 10 per cent. 1980, February: 7.8 per cent. 1981, February: 12.1 per cent. 1982: 12.5 per cent, February again. This gives a grand total of 84.5 per cent, Mr. Speaker. This is a Crown corporation set up to provide the best possible service at the lowest possible cost by the NDP government. It's not true, Mr. Speaker.

Now we'll go to general service 4. 1975, August: 26.1 per cent to the small investor. 1976, July: 16.2 per cent. 1977, August: 14.4 per cent. Do you notice the July and August rate increases while we're in session? I mean, since 1978 we've sure had a lot of sessions in July and August. Maybe there have been some but I have to say that as the member for Wilkie I wasn't here in July and August for a session that the NDP supposedly dreamed it had. We could talk about some of their dreams, Mr. Speaker — the minister in charge of Sask Tel dreams about being able to borrow \$750 million for Sask Tel. And right now, today, Mr. Speaker, I challenge him: does he have the guts to bring that bill forward before the little fellow calls the election? I say he doesn't have the courage. You get in here Wednesday then. If you have the courage — never mind the blues — get it to your House Leader, introduce it and bring in second reading. You know you don't have the courage and you have power in cabinet to bring it forward.

Well, back to our power rate increases; we're going to stay on the highroad today. Of course there was no increase in 1978. 1979, February: 10.8 per cent. 1980, February: 8.3 per cent. 1981, February: 13 per cent. 1982, February: 11.79 per cent. This one year the total has gone up; we broke the 100 per cent mark: 100.59 per cent. They finally did it; they broke the 100 per cent mark. This gives a grand total since 1975, Mr. Speaker, of 354.96 per cent. Is this the corporation that is providing the best possible service to the people of Saskatchewan? No, it's not true, Mr. Speaker.

The field staff in Sask Tel and Sask Power — and I want this to be very clear — is doing an excellent job for the people of Saskatchewan. The problem is with the politicians, with the political board of directors. That's where the problem is in both Sask Power and Sask Tel. That's what's costing the people of Saskatchewan a lot of money for their utilities.

Now in order to clear this problem up (it's very easy to stand here and condemn) we have to have an alternative. And that alternative is a public utilities review commission. Every other province in Canada, Mr. Speaker, has a regulatory board of one type or another.

You know, it brings me back to January or February, I think it was, at CBC Saskatoon when I did an interview with Mr. Drury and Bill Gerald and also one of the NDP MLAs from there. I don't remember which constituency he represented. Anyway, Mr. Speaker, when we started that debate that member was opposed to a public utilities review commission. By the time 20 minutes was over in that debate, he thought maybe it was a

pretty good idea, and he would have to talk to his government about it. He thought maybe there was some justification for it, but he was away from three or four of the big power boys who control all of the heavyweights back there. But when you take them away, they have a chance to make up their own minds, Mr. Speaker.

So, if we had a public utilities review commission in the province of Saskatchewan without having to get cabinet approval on a decision, then before the minister responsible for Sask Tel and the minister responsible for Sask Power could just jack the rates up they would have to justify the increase to that independent board. They would have to justify it to them. And on that board would be people from consumer affairs, as one example. Consumer affairs in the province of Saskatchewan wants it. People want to have input into some of the decision making in their government, Mr. Speaker. This government will not allow them to do that.

I would just like to go to what happens in other provinces that have a public utilities review commission or board of some type — rate decreases. Northwestern Utilities has received approval from the public utilities board in Alberta for a rate decrease effective November 1, 1981. The rate adjustment is the result of a reduction in the Alberta border price of natural gas and subsequent change in the provincial support price established by the Alberta government. With the lower rates, Northwestern is passing on the savings to its customers, the people of Alberta. For the average Northwestern residential customer the reduced rates will result in a cost saving of about \$3 for the remainder of the year. Now this, Mr. Speaker, we have to remember is only for two months. What a difference. We have in the province of Saskatchewan the price of natural gas to the consumers and industry going up. What is happening to that price in Alberta? It is going down, Mr. Speaker. Why is the price . . . Well, it is right here. You birds can laugh all you want. It is here in black and white. Contact them. Find out. I mean this isn't something that we could add to the . . . We could call it Saskatchewan lie number 3. We have had number 1 on medicare and number 2 on the crowrate. We could call this one Saskatchewan's big lie number 3. I mean you boys are going to have a real record for this. It is right there in black and white. Right there, Mr. Speaker.

Mr. Speaker, here we have a little pamphlet which was sent out to everyone in his power bill. It is nothing more than political advertising. It is about NEP (national energy program) Alberta-Ottawa agreements, how they affect your energy rates. Now, this is how the politicians in Sask Power (and I want this to be clearly defined) are trying to camouflage it. We are going to talk quite a bit about this natural gas this afternoon, Mr. Speaker.

We cannot absorb these increases and are passing them directly on to our customers — a policy we have followed in the past and will continue in the future.

Well, here we have it. I have just read to you what is happening in Alberta. They're passing the savings on to the people, but in Saskatchewan we're doing 180 degrees the other way. We're just socking it to them. We wonder what that does for inflation, or for the economy, Mr. Speaker. It penalizes every Sask Power gas or electrical worker in the province of Saskatchewan. Why are they being penalized? They're being penalized by an NDP government that is more concerned about power and control than it is about people. They can't cut it any other way, Mr. Speaker.

A little further on in this propaganda — here is who they want to blame it on. Now they want to start passing the buck. They are always blaming Ottawa. Now this one is kind of handy — we'll blame Alberta.

Eighty per cent of the February gas increase is therefore benefiting the federal-Alberta governments and Alberta producers.

They are admitting the Alberta producers are getting something. They also don't admit that the Alberta people are getting a benefit out of this.

The balance is accounted for by increases in our operating costs and interest costs on borrowed funds, as well as an increase in the Trans Canada Pipeline transportation charge.

Now, Mr. Speaker, some good common sense on how to administer the affairs of Sask Power and the province of Saskatchewan. We have trillions of cubic feet of natural gas in this province that has never been developed. They haven't even tried to find it, but it is starting to come out on its own, Mr. Speaker, and I'm going to relate a true story. I wish the minister in charge of Sask Power would listen to this, because I don't want to take up valuable time in question period. Today, Mr. Speaker, we have a very volatile situation in the province of Saskatchewan.

I have tried for the past two months to talk to that minister by telephone — not returned, that's the truth. The president of Sask Power, Mr. Moncur, doesn't return my calls. He has someone else call me . . . (inaudible interjection) . . . I'll bring the phone bills in and show them to you. You talk to your secretary . . . (inaudible interjection) . . . Let me continue. You know it, but you don't accept responsibility for this. It concerns . . . (inaudible interjection) . . . Oh, you talk about trust! Pierre Trudeau's brother there — do we want to trust him? Not a chance, and the people won't trust him either, Mr. Speaker.

I'm going to stay on the high road, Mr. Speaker, I promise you. Mr. Ron Doll of Dodsland, Saskatchewan, woke one morning and looked outside. The water was shooting from his water well just 8 or 10 feet from his house. He turned the top on and there was a funny smell in the house — natural gas.

AN HON. MEMBER: — I thought you were there.

MR. GARNER: — Ah, we have the Minister of Health but he's not concerned, Mr. Speaker. He thinks it's a joke; now wait until we've finished. Mr. Speaker, you hear the Minister of Health for Saskatchewan; he thinks this is a big joke.

AN HON. MEMBER: — Ask him why his mother is going to B.C. for an operation.

MR. GARNER: — I don't want to know why his mother is going to B.C. or anything else, Ralph. You can ask him that yourself; I'm not going to get into that.

Mr. Speaker, after my colleague from Kindersley contacted environment and Sask Power he got the run around for about two weeks. Finally they did come out and cap it and put a gauge on it. But that is all; they didn't put a separator on the well or anything. I notice the minister responsible for Sask Power is accepting his responsibility; he has gone out now to check those phone calls. Maybe he'll call Mr. Doll and say, "Why didn't

you call me?" Well, he tried to; he tried to get hold of Mr. Moncur.

Mr. Speaker, in the surrounding area there are five gas wells drilled by Sask Power but capped, not put on stream. They have not been put on stream to have that gas developed so that the people of Saskatchewan could buy their gas cheaper. No, we take tax dollars from Saskatchewan and shoot them over to Alberta to help build up the Alberta Heritage Fund. I don't think they need it. The gas we have in Saskatchewan should be uncapped today and put on stream. Let's quit sending tax dollars from Saskatchewan to Alberta. This would be of great benefit to the people of Saskatchewan.

Let us get back to the Doll case. The pressure in this well is going up from 2 pounds to 4 pounds per day. It was installed at 28 pounds; now the pressure is up to 46 pounds. The experts from Alberta say that if this well comes in, with the other wells which have been drilled around, it will come in at anywhere from 900 pounds to 1,100 pounds. Mr. Speaker, we know what is going to happen to that house which stands 6 feet away from that well. Will Sask Power accept responsibility for it? No, they think it's a joke. We've heard the Minister of Health laugh; he thinks it's a joke.

Does someone have to be seriously injured, does someone have to be killed in the province of Saskatchewan before someone else will accept responsibility? I hope not, Mr. Speaker. Why could there not be a separator put on that well? The water could be used; there could be a meter put on it . . . (inaudible interjection) . . .

Now we hear the minister responsible for telecommunications talking all about natural gas. He can't even run Sask Tel let alone Sask Power and that's why he only has the one.

Mr. Speaker, a separator could be put on and the water could be used and the gas could be used to heat the house. But no. Do you know what Sask Power's answer is? They say they will just vent it off and blow it away. As they blow it away, away go the dollars, too. What saving is that for the people of Saskatchewan? It's no saving at all, Mr. Speaker.

My colleague just handed me an annual report for Sask Tel. This debate is going to take a little longer than I thought. Mr. Speaker, hopefully the Premier will call the people to the polls in the very near future so that we can bring in a rural gas distribution system for the people of Saskatchewan. It's necessary, it's needed, and we can save people dollars. It's very false economy to send tax dollars to Alberta to buy their natural gas, when we have literally trillions of cubic feet of natural gas in the province of Saskatchewan: (1) that is developed, (2) that they haven't even looked for, (3) that's starting to cause farmers on the west side of the province problems. I mean it's waste. Is this the direction this government has to go, Mr. Speaker? I don't think so and the people of Saskatchewan don't benefit from it.

Mr. Speaker, we talk about freezing the utility rates in the province. We'll deal with Sask Power first of all. Total expenses for Sask Power for 1979 were \$300,307,000. For 1980, they were \$358,861,000. The difference there, Mr. Speaker, is \$58,554,000. Now, even dealing with inflation, Mr. Speaker, when we're sitting with \$219 million in retained earnings, when the Progressive Conservative Party of Saskatchewan states that it can freeze the utility rates for one year, and you do a comparison of that \$58,554,000 to the \$219,914,000 in retained earnings, it can be done very practically.

I was going to use the 1980 Sask Tel report but maybe we'll use this one here. Net earnings for Sask Tel for 1981 were \$24,309,000. They're down in their profits about

\$500,000. Well, boy, with a profit picture like that, isn't that a reason to take the 5 per cent sales tax off in the province of Saskatchewan on telephone bills?

AN HON. MEMBER: — That's got nothing to do with Sask Tel.

MR. GARNER: — it's got nothing to do with Sask Tel, eh? You're not even concerned. You're not even aware enough of the problems of people out there. This government has lost all touch with people and people's needs out in Saskatchewan. There's a prime example of it right there. Retained earnings are now up to \$145,287,000 and when we ask for a freeze on telephone rates or we ask for a freeze on power rates, we get no for an answer. The people of Saskatchewan get a no from the NDP government, and, Mr. Deputy Speaker, I guarantee you in the next provincial election, the NDP is going to get a no from the people of Saskatchewan, too.

This government has lost touch with people. I mean, how can a minister honestly sit there . . . I'm going to touch another little subject that's not very popular with him, and it has to do with the MCM telewriter. Mr. Minister, I don't doubt that you're aware of the MCM telewriter for the deaf. Mr. Deputy Speaker, do you know what it costs the people of Saskatchewan (not the deaf children themselves, but say a sister or a father and mother) to get an MCM telewriter installed in their house? Installation charge, \$22. Now, this is a piece of telecommunications. Do you know what it takes to connect this piece of telecommunications equipment in the province? You take it like this, and I believe even some members opposite could plug it into an electrical socket in the wall. That's all it takes. If you've got a little sister or little brother who's deaf and you want to be able to communicate with him, you're going to pay \$22 installation fee in the province of Saskatchewan. On top of that you are going to rent it for \$21.40 a month and it could be up now, plus tax. But now here's the real hypocritical thing, Mr. Deputy Speaker. That little deaf girl goes to leave the province of Saskatchewan and she wants to call home to her mom and dad. Can she take the telewriter with her? No. But we could take the little cousin of hers in Alberta who would have what's called an ear for the deaf. Living in Edmonton she can buy it herself for \$365 with no tax. None of this 5 per cent tax every month.

AN HON. MEMBER: — No medicare premiums?

MR. GARNER: — That's right. Now the Attorney General wants to deflect it. Let's talk about one thing at a time . . . (inaudible interjection) . . .

We'll talk about medicare. Medicare is excellent in the province of Saskatchewan, but the minute we start talking about the handicapped — “Not fair, not fair,” the Attorney General says.

So we take this same little girl in the city of Edmonton with her ear for the deaf. She is coming, say, to visit her cousin in Regina. She wants to bring it with her. She can bring it with her, but guess what happens if she connects it to what they call Sask Tel lines in the province of Saskatchewan. She can't do it, cannot connect. The minister knows this.

There is a lady in Saskatoon by the name of Mrs. Debbie Eyjolfsson. In fact, she's in the seat of the minister in charge of SGI. That's how I came about meeting her. That is where I obtained this information.

Their family is being burdened by this, and I can just imagine how pleased they are

going to be. They are a young couple starting out. She has an MCM telewriter, for the deaf. She paid the \$22 installation fee for the fellow to come to the door and hand it to her. Mr. Robbins knows here because I think she worked for him at one time, but not any more for the NDP.

Can you imagine how pleased she is going to be to see this profit picture in excess of \$24 million, and here they are having to budget so that she can keep her MCM telewriter to communicate with her sister. She simply stated to me, "They don't care any more. They are not concerned." And then we see them stand up and beat their chests about what a great job they are doing for the handicapped in the province. They've done some things, yes, but they're a day late and a dollar short when it comes to getting the whole job done.

Mr. Speaker, the people of Saskatchewan, number one, would like a break on power and telephone rates. From the NDP government they're not going to get it.

Number two, the people of Saskatchewan want a public utilities review commission now.

AN HON. MEMBER: — They won't get it from you guys, I tell you.

MR. GARNER: — They sure will. They're not only going to get a public utilities review commission from a Progressive Conservative government, they're going to get their utility rates frozen for one year, and I have justifiably proved to you today here, Mr. Deputy Speaker, that it is possible, feasible, practical and can be done.

AN HON. MEMBER: — And free enterprise is desirable.

MR. GARNER: — I'm not going to get into your hate for free enterprise, Mr. Speaker, I am more concerned about people and people's concerns than about being a hypocrite. If I had to be a hypocrite I would get out of politics, Mr. Deputy Speaker. Now we hear the Attorney General talking about selling Sask Tel. There is no intention and never has been any intention. I'm very glad he's brought this to light. Never has there been a policy of the PC Party to sell Sask Tel or Sask Power. I have stated earlier that they are both excellent Crown corporations and the field staffs are doing an excellent job. The problem is with the political minister and with the political board of directors. That's where the problem lies.

But under a public utilities review commission, Mr. Deputy Speaker, that young girl who wanted to take her MCM telewriter out of the province of Saskatchewan to Alberta would be allowed to and the same with the other little girl coming in. Do they care about people like that? It's very easy for the Attorney to sit down and pick up the phone and phone his little daughter or his little son at night. There's no problem at all. He could do it quite easily. I take that for granted when I phone my family, Mr. Deputy Speaker. But the people who are handicapped, who are deaf, do not have that opportunity. And is that opportunity being provided to them by the Government of Saskatchewan? No, Mr. Deputy Speaker. It is unfair and ruthless. It is not giving a break to the people of Saskatchewan. They know it. And the message will be delivered to them very clearly.

I have a little quote here that I would like to read into the record:

"Manitobans to Plug In." The Manitoba government will allow private

citizens to buy telephones and attach them to the Manitoba telephone system network, Communications Minister Les Evans said Friday.

I wonder if that's the new NDP minister over there? It isn't? The Attorney General says no. Well, I'll believe the paper ahead of the Attorney General, Mr. Deputy Speaker . . . (inaudible interjection) . . . Oh, it says Len Evans in here.

Evans's statement in the legislature recognized what already is an established practice. Telephones are sold throughout Manitoba, and with the plug-in jacks used by provincially-owned MTS, private phones are easy to attach.

Mr. Deputy Speaker, this is just a great bit of news. I hope the Minister of Sask Tel here is absorbing some of this. This would be wonderful. This is what we've been stating for a long time. At least the NDP in Manitoba has picked it up. Hopefully now the Minister of Sask Tel will maybe plug in a few phones here in Saskatchewan.

Opposition communications critic Don Orchard also noted that the former Conservative government had included in Bill 107 in 1980 a clause to legalize private phones.

Oh, well then, Mr. Deputy Speaker, we know where it comes from. It wasn't an NDP thought. This was a Progressive Conservative thought. But I will at least give them credit for having enough brains, enough intelligence to accept a good policy from the Progressive Conservative Party. While we are discussing that, I was very pleased to see in this budget leak the other night that the NDP government did pick up a couple of policies of the Progressive Conservative Party. I know the farmers are going to be quite pleased to have tandem axle trucks, to be able to burn purple gas in them. And people will be pleased with the elimination of the 5 per cent education tax on children's clothes. I don't think they went far enough, but it was a step in the right direction.

Anyway, Mr. Deputy Speaker, back to this. I just have to review this once more.

"Manitobans to Plug In." The Manitoba government will allow private citizens to buy telephones and attach them to the Manitoba Telephone Systems network, Communications Minister Len Evans, said Friday.

Mr. Deputy Speaker, we have the rest of Canada deregulating the telephone systems, the telephone industries, the communications; what have we here in Saskatchewan? We're regulating, regulating and regulating. And it doesn't matter whether you're a farmer, handicapped or anyone else. You're all getting hit by this, Mr. Deputy Speaker, this is why the people of Saskatchewan are not going to follow this any more.

I don't know how this affects you, Mr. Deputy Speaker, but I imagine it affects you. How nice it is to see an ad come on television when Zenith is advertising its space phones, its TV space phones . . . (inaudible interjection) . . . Well, Mr. Deputy Speaker, you get spaced out a little bit after you're in here for awhile. We'll describe it very simply for the Attorney General. It's a television set where you can answer your own phone right in your living room or anywhere else. Now when it's advertised in the province of Saskatchewan it says, "not permitted to connect." "Not available in Saskatchewan." Available everywhere else in North America in Saskatchewan. But at least the Manitoba NDP is following the lead of the Progressive Conservative government in that they are going to start deregulating.

Well, Mr. Deputy Speaker, I would like to take some time to study Sask Tel's last annual report. I think it goes beyond the shadow of a doubt, reading this motion once more:

That this Assembly recognize that public utilities are of special concern to everyone because of the essential services they provide and that this Assembly recommend: (1) that the provincial sales tax be removed from Sask Tel and Sask Power bills, (2) that public utility rates be frozen for a period of one year, (3) that a public utilities review commission be established to justify rate increases prior to implementation.

Mr. Deputy Speaker, I think I have proved beyond the shadow of a doubt that it can be done, it should be done and, after the next election, it will be done for the people of Saskatchewan. Thank you.

HON. MR. KOSKIE: — Mr. Deputy Speaker, I want to make some comments in respect to the resolution. I want to indicate to you that following my comments I wish to, and will, propose an amendment to the resolution.

As we listen to the Tories opposite, it seems to me that the members opposite are implicitly attacking the very existence of Crown corporations directly by their comments and by their stance. It seems to me that while they attempt to hide behind the sham of providing additional protection to the people of Saskatchewan, the members opposite are in fact building a case in which they can get rid of the Crown corporations. I think what we see here in Saskatchewan is a version of the bloody butcher of the federal Conservative caucus, Sinclair Stevens.

The member for Regina South, like Sinclair Stevens, I submit, is dedicated to the idea of doing away with Crown corporations, and turning them over to his friends in the private sector along with the operation of our economy and the responsibility for the well-being of Saskatchewan people.

Our Crown corporations have served this province well. Public utility Crown corporations were created to ensure that people throughout Saskatchewan would indeed have basic services, and that those services be available at fair and reasonable rates. The history of the public utility Crown corporations proves that these goals have been attained.

As you compare the rates across the country for electricity and natural gas, for telephones, for insurance, you will see that Saskatchewan rates are among the lowest in Canada. You will also see that the low rates apply to rural areas as well as urban areas.

The motion of the member for Regina south is an attack on the whole concept of Crown corporations. I'm sure that if the hon. member had been speaking to the residents throughout this province he would be aware that the general view of Saskatchewan people is that Crown corporations have provided excellent service at excellent rates. I would suggest, Mr. Deputy Speaker, that the purpose of the opposition is to eliminate the Crown corporations and to allow the rates to increase so that the profits can go to the private sector.

I would remind the hon. members of the federal Progressive Conservative Party's stand - to aim at privatization of Crown corporations, particularly Petro-Can. Mr. Deputy

Speaker, the hon. member for Regina South, in my estimation, has been hiding his real concern and what his party really stands for.

Let us look at what he and his colleagues have said in the past. Let's take a look at it. I will quote from *Hansard*, in which the former Conservative member for Estevan said:

The Progressive Conservative Party does not and cannot support the concept of government participation and ownership in the resources field.

So, Mr. Deputy Speaker, what is it that the Conservative Party wants? Am I to assume that they want the people of Saskatchewan to sell their gas and oil reserves to their friends in the private sector? This then would allow SPC, for example, to be held to ransom by those private corporations which could extract significant profits from the people of this province, while forcing Sask Power to bear the responsibility for passing such exorbitant increases onto the backs of the people of Saskatchewan.

To really find out what the Conservatives are thinking about, I believe we should review what the hon. member for Moosomin said in the Crown corporations committee on April 17, 1980, and I quote:

We are now, on behalf of the people of Saskatchewan and out of their concern, beginning to question whether or not the government involvement, even in utility corporations let alone resource development through the Potash Corporation of Saskatchewan, is the route to go.

Mr. Speaker, this more than any other statement indicates to me that the Conservative Party does truly intend to follow the lead of the federal counterparts and attempt to sell off our Crown corporations, which have served the people of Saskatchewan so well.

Mr. Deputy Speaker, let us look for a moment at the example of the Progressive Conservative government in those short nine months. Within five months of coming to power, the then president of the treasury board, Sinclair Stevens, announced on September 28, 1979, that four Crown corporations were going to be sold. Those four corporations cost the people of Canada \$187 million when they were initially established. In September of 1979 they had assets worth approximately \$804 million but the federal Conservative government was willing to sell those four corporations for \$200 million. That is \$600 million less than their actual assets value. Mr. Deputy Speaker, this is the nature of a Conservative. They are willing to sell off the people's assets for an amount significantly less than that which they are worth.

To support this let us look at the position of the federal Conservative government with regard to the Canada Development Corporation. Sinclair Stevens, who I'm sure must be an idol of the hon. members opposite, indicated that the federal Tories wished to reduce their investment in the Canada Development Corporation from 66 per cent to 10 per cent. To do this, Mr. Stevens was willing to sell the government's share for between \$100 million and \$250 million, depending on what they could get. That was, Mr. Deputy Speaker, \$100 million less than the government's original investment in CDC. Moreover, Mr. Deputy Speaker, in the first nine months of 1979 CDC had earned a profit of some \$74 million but the Hon. Sinclair Stevens was suggesting that he would take only \$100 million for 56 per cent of the shares of that national corporation.

Mr. Deputy Speaker, I believe that the real story behind this resolution is that the

Conservatives wish to force our Crown corporations into a loss position so that they may go to the people of Saskatchewan and claim that they are not money-makers, so that they can be sold to their friends in the private sector who will manage them so well. Mr. Deputy Speaker, I believe that is the real intent of the Progressive Conservative Party, the party which both nationally and provincially supports Reaganomics. I would like to indicate to this House what the federal Conservative finance critic said about Reaganomics, and I'm quoting here from the Globe and Mail of February 12, 1982, in which Michael Wilson said:

Reaganomics is something we would be doing if we were in government, something we will be doing once we are in power again.

Mr. Deputy Speaker, these sentiments have been expressed by the Saskatchewan Tories. In particular I draw attention to a constituency newsletter from the member for Indian Head, who indicated generally that what was required is "strong action and determination such as that exhibited by the U.S. President Ronald Reagan."

Mr. Deputy Speaker, I believe that what we have here is a Conservative plot to build a case for selling our efficient and effective Crown corporations to the private sector. I would like to assure this House and the people of Saskatchewan that the Blakeney government, so long as it is in power, will never allow our Crown corporations to be sold so that a few people can benefit from the expertise and the hard work of the men and women that have built our financially sound and well-managed Crowned corporations, corporations which have served this province so well. Let me also remind members opposite, and through the media attending this session, the people of Saskatchewan, that in this country there are two kinds of utility corporations — those that are owned by the private sector and those that are owned and operated by the government on behalf of the people they represent. The purpose of the private utility corporation, its sole purpose, is to make money. They exist for no other reason. Crown corporations, on the other hand, exist to serve people justly and fairly. Sask Tel has assured that people in rural Saskatchewan, no matter where they live, are able to have the same services as people in urban areas. They are able to have the same services as people in urban areas. They are able to have these services at essentially the same cost as people in the cities because the rates are average throughout the province.

Mr. Speaker, would we have services in Wollaston Lake, Sandy Bay, or Dillon in northern Saskatchewan if we did not have Sask Tel. I think not. The extension of services to that area of Saskatchewan is expensive, but the people living there are Saskatchewan residents and the Crown corporation saw it as its responsibility to provide this basic service to people at reasonable rates. And how would Her Majesty's Official Opposition suggest that this be done? On a direct cost recovery basis, thereby basically leaving those people without such basic services? Sask Power has assured that electricity is available throughout the rural areas of the province at rates which are averaged across the province. This has ensured that people working on farms and in the rural towns of Saskatchewan have the same services as urban residents at rates that support the rural way of life. And let us compare electrical rates for residential services, 600 kwh per month as of February, 1982. And let's look at Vancouver. At Vancouver, it costs \$28.20; in Grande Prairie, Alberta, it costs \$52.88; in Airdrie, Alberta, \$30.00; in Sexsmith, Alberta, \$57.69. But it costs \$26.05 in McLean, Saskatchewan; \$26.33 in Shellbrook; \$25.87 in Prince Albert and Regina.

I want to say that Saskatchewan was the first province to enter the field of government automobile insurance, and this dramatic action has been followed by a number of other provinces. It has assured Saskatchewan residents of some of the lowest rates in the

country. And let's look at those rates. In 1981, for a 30-year-old married male driving for pleasure with a three-year accident-free record, third-party liability of \$300,000, \$100,000 collision, \$50 comprehensive deductibility, the rates were as follows: 1978 Chev Impala, Vancouver, \$589; Calgary, \$735; Toronto, \$899; Saskatchewan, \$419. For a 1980 Pontiac the rates are: Vancouver, \$615; Calgary, \$809; Saskatchewan, \$509; Toronto, \$976. And the Tories keep indicating or attempting to indicate to the people of Saskatchewan that our Crown corporations are not providing excellent services.

Mr. Speaker, I would like to remind the hon. members once again that private utility corporations were created for one purpose only — to make money. And with the private utility corporations it is most appropriate that a regulatory agency be established to ensure that the rate increases are not exorbitant. However, I do not believe that a regulatory agency such as the public utilities review board is necessary. When the utility is owned and operated by the people of Saskatchewan through a Crown corporation, our Crown corporations must answer to the legislature for their actions. Their books are open to the members of the legislature and to the public. Their financial decisions, their rates, their services and their policies are all open to discussion in the legislature and the select committee on Crown corporations.

I believe that the establishment of a public utilities review board would not likely make it any easier for consumers to be heard. Consumers are presently heard by their members of the legislature. While organizations such as the Consumers' Association of Canada have had expertise and success with representation before such bodies as the Canadian Radio-television and Telecommunication Commission, the monetary cost of preparing submissions and making adequate representations is considerable. The effort is time consuming. The process is slow. I believe that consumers would not get their money's worth from a public utilities review board in Saskatchewan with Crown corporations.

It is interesting to note that this point of view is also reflected in a study which was done by Professor Leonard Waverman for the Economic Council of Canada. As you are aware, the Economic Council of Canada has been studying regulations and the cost of regulations in Canada. In reference to the adversary system of regulatory agencies such as review boards, Professor Waverman said:

As an outsider to the legal profession but a student of regulation, I am not at all convinced that the present form of adversary procedures is at all efficient or equitable, because it rewards the quick, the golden-tongued, and the well-heeled. The process may, because of the implicit value system, reward lawyers' values to the exclusion of other members of society.

Do we want to turn over the setting of rates and policies by our Crown corporations to a body that will listen to, and reflect the views of, those people who are able to afford to hire technical experts and lawyers to present their position? I don't believe that the people of Saskatchewan do. There is a lack of evidence that the public utility review boards or commissions have helped consumers. The experience in Alberta, which has such a review board, suggests that consumers in that province were not helped. In Alberta's situation it is interesting in that Calgary Power, by far the largest private company with the largest number of consumers, operated outside the Alberta Public Utilities Review Board until 1972. Prior to that, applications for rate increases had to be

made through, and with the approval of, the legislature. Consequently, many people in Alberta contacted their MLA when the matter came up. Following the requirement for Calgary Power to go before the Alberta Public Utility Review Board, their rates went up dramatically — 15 per cent — and have continued to steadily rise. It is interesting to note that Alberta consumers are presently being charged significantly more for electrical energy than Saskatchewan consumers. Why does this happen when Alberta companies have higher revenues than Sask Power? In light of the above, I would suggest that the role of the Alberta public utilities board has not ensured that fair and reasonable rates are charged to Alberta consumers. I am therefore not convinced that the establishment of a Saskatchewan utilities review board would do anything to improve our present system.

Mr. Speaker, I have indicated that our utility rates are among the lowest in the country. This cannot be denied, even by the members opposite. Our public utility corporations were brought into being to provide good service at reasonable rates and at reasonable prices, and this is what they have done. The hon. member's resolution is an affront to the management and to the employees of our Crown corporations and strikes at the very heart of Saskatchewan's co-operative method of developing this province.

Mr. Speaker, I think that the opposition has demonstrated that it is opposed to the Crown corporations providing even the necessities of public utilities. I think that it has continued to attack the Crown corporation sector, and I want to say that the people of Saskatchewan have resented that attack, Mr. Speaker. I hope that in the not too distant future the people of Saskatchewan will have an opportunity to once more express their confidence in the Blakeney government and the Crown corporations which have represented them throughout the years.

Mr. Deputy Speaker, I would like to propose an amendment to the resolution so that all the words after the word "and" in the third line be deleted, and the following substituted therefore:

That this Assembly commend the management and employees of the public utility corporations for providing to the people of Saskatchewan excellent service at rates which are among the lowest in Canada.

I move the resolution, seconded by my colleague, Dr. White of Regina Wascana.

MR. DEPUTY SPEAKER: — I find the amendment in order and debate continues on the amendment and the main motion concurrently.

HON. MR. WHITE: — Thank you, Mr. Deputy Speaker. I'm becoming increasingly amused by the motions brought in by the members opposite. Each time it's easier to bring out a good case against what they are proposing.

The Tories have put before us another motion. It's really the same as last time. The ultimate objective is to create a public utilities review board. They talk about sales taxes in it, but before I sit down I'll demonstrate that Sask Power rates, with the sales tax added, are much below the privately owned rates in Alberta, which are reviewed by a public utilities review board.

Last year, Mr. Speaker, I spoke at some length about a resolution of this type, and I argued that the proof of the pudding was in the eating. How does a public utilities review board perform? How does a public utilities review board, named by a Tory

province, perform? At that time, I gave a history of the origin and operation of the Alberta Public Utility Review Board. I won't recount the whole story; it's available to anyone who wishes to read it in *Hansard* for April 7, last year. But I do want to summarize the essence of what I said and update the statistical comparisons that I made between Sask Power and the privately owned and operated monopolies in Alberta and you will find that in every case the case is better for Sask Power.

During the course of my speech last year I cited calls for a public utility review board by the members opposite. Their calls contained no evidence showing that a board, which would oversee electrical or gas rates, had reduced rates in any case and helped anyone. The member for Regina South was today critical of my figures. He had a year to go over them but he made no attempt to refute them. Indeed, the type of evidence presented by the members opposite is extremely weak. At one point the hon. member for Regina South stated that Saskatchewan should have a public utility review board because 50 states and 7 provinces had them. This is to say that because something exists it is good. That is really logic! It is like saying that because the governors of 50 states and the premiers of 7 provinces have diarrhea, it's good. According to their logic because those fellows have diarrhea the premier of Saskatchewan should have it. I don't go along with that . . . (inaudible interjection) . . . It's not a far fetched comparison.

If you take a look at Alberta, it's suffering from financial diarrhea, where her public utility review board is concerned, to the tune of over \$7.75 million in 1980-81.

I pointed out the inconsistency of the Tories last year. They like to present themselves as the champion of less government, enemies of big government, enemies of regulation. And they call for the creation of a public utility review board at the same time. They want increased regulation and an expensive, new, bureaucratic element on the Saskatchewan scene.

Mr. Speaker, I just want to briefly summarize what I said in about 50 pages last year about the origin and operation of the Alberta Public Utility Review Board. For all practical purposes it came into being in 1972, put there by the Alberta Tories led by Mr. Lougheed. It just so happened that that was the time when electrical rates were going to start to increase and the government wanted to avoid any responsibility for this, so it created a public utility review board to front for it. This didn't go unnoticed by critics. They pointed out that the government "is shielded from increases. It is no secret that the present government will do anything to avoid tarnishing its public image."

The board was given the responsibility of handling rate increases requested by Alberta privately-owned utility monopolies. It quickly learned, as I pointed out, six things. The first lesson was how to approve rate increases. Its second lesson was how to approve increases on an interim basis. Thirdly, it learned how to approve an interim increase on top of an interim increase. Then it learned how to apply a surcharge to an interim increase on top of an interim increase. Then it learned how to apply increases retroactively; and finally, lesson number six, it learned how to invite requests for rate increases from the private monopolies.

I demonstrated, Mr. Speaker, how the system was set up to enable Calgary Power or as

it's called today Trans-Alta Utilities Corporation and Alberta Power through the public utility review board to reach slowly but deeply into the pockets of Alberta consumers and extract all the funds they asked for.

The Alberta government set up a loan system supposedly to help interveners. This pointed out that it knew that fighting rate increases would be expensive.

In the process of tracing the operation of the Alberta Public Utility Review Board I demonstrated a number of things. Opponents to rate increases at times complained that they didn't get a proper hearing. They faced various handicaps. Second, the board's procedures were long, drawn-out affairs, up to 18 months or more. Third, the system worked in favour of the private companies. Fourth, Lougheed and his colleagues were apparently not above behind-the-scenes actions to help their friends by interfering with the activities of the public utility review board to bring about rate increases more rapidly than the board desired. Finally, whole opponents of rate increases faced this situation, the profits of the privately owned utility monopolies in Alberta were forever going higher.

At one point the city of Lethbridge complained that the rates it paid to Calgary Power had increased five times within three years, and that the increase at that time amounted to 94.3 per cent. A critic described the whole public utility review board system as an accountant's dream and anyone else's nightmare.

Perusal of annual reports of the private electrical monopolies demonstrates that really the public utility review board is a method to guarantee the privately owned electrical monopolies a certain return on their investment, and that return is higher than allowed to U.S. utilities in many cases.

I said, Mr. Speaker, that I wanted to update the statistics I gave last year. Maybe the member for Regina South, if given another year, can come up with some sort of criticism of them.

First, there's the potential cost of a public utility review board to the Saskatchewan taxpayer. The hon. member for Regina South used to speak about this topic, but he hasn't mentioned it recently. I wonder why. That doesn't matter, though. He used to say it would cost \$100,000 to \$150,000 per year. The cost of the Alberta public utility review board for the fiscal year 1980-81 is far above that, over \$1.75 million. Mr. Speaker, 40 or 50 employees don't come at \$2,000 to \$3,000 per year. Perhaps the Tories are considering paying their civil servants that, but what I suspect they are planning on doing is staffing the organization totally with Tories and paying them precisely what they're worth.

Next, Mr. Speaker, I want to compare Sask Power and Calgary Power for the years 1972 to 1980. I compared them last year for 1972 to 1979, and I want to update all these statistics — 1972 because that's when rate review began.

The first thing that I did last year was to establish that Calgary Power or Trans-Alta, if you like, and Sask Power were essentially the same size in terms of assets. The annual values of assets for the eight-year period last year were within 2 per cent of each other; this year they were within 3 per cent, so you can say they are comparable sums.

During the nine-year period, the value of SPC assets rose by 137 per cent, and I'll be using this figure later, and those of Calgary Power by 342 per cent.

In 1972, Mr. Speaker, the net income of Calgary Power was \$14,139,000. Nine years later, in 1980, with its rates under frequent review, its net income reached \$101,312,000. That, by the way, is substantially up from last year. Last year it was \$87,735,000. During the same interval, Mr. Speaker, Sask Power's net income, its rates not reviewed by a public utility review board but reviewed by various organizations of government, fell from \$20,904,000 in 1972 to \$20,537,000 in 1980.

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In short, Mr. Speaker, Calgary Power, a utility subject to review, witnessed its net income skyrocket during the nine-year period by 617 per cent while Sask Power, without review, saw its net income fall by just under 2 per cent. If I may draw another comparison, Mr. Speaker, Sask Power's assets rose by 137 per cent and its net income remained about the same. Calgary Power's assets, on the other hand, rose by 342 per cent in the nine years; its net income went up by 617 per cent. That suggests something about the reasonableness of their suggestion, of their call, for a public utility review board.

Now, Mr. Speaker, those comparisons aren't perfectly adequate. One should also compare the net income of the two organizations for the nine-year period. For Calgary Power, 1972 to 1980, the net income was \$441,457,000. For the same period, Sask Power's net income was \$181,989,000. So, Mr. Speaker, you have two utilities of approximately the same size, one supervised by a public utility review board and one not, and these are the results.

Calgary Power, its rates and net income subject to oversight by a utility review board, has a net income more than 140 per cent greater than Sask Power which is not supervised by a board. Calgary Power, the regulated utility, enjoys an average net income of \$49,051,000. Sask Power, the utility that the gentleman opposite suggests to us is free to charge all it will, has an average net income of \$20,221,000. In the nine years, then, following 1972, Calgary Power's average net income was \$49,051,000; Sask Power, roughly the same size, had an average net income of \$20,221,000 — only 41 per cent of that of Calgary Power.

Now let's take a look at the Alberta Power Company, the second privately owned utility in good old Tory Alberta. The Alberta Power Company is smaller and not as well compared with Sask Power but I want to indicate just how well it fares and has fared under the Alberta public utility review board. In 1972, its assets were worth \$198 million; in 1980, \$737 million. During the nine-year period its assets rose by 272 per cent. The average value of assets per year was \$383,802,000. In terms of assets, Alberta Power was 39 per cent that of Sask Power. Now we look at income. In 1972, its income was \$7,415,000; in 1980, \$38,606,000. During the nine-year period, its net income increased by 421 per cent. Its total net income for the nine-year period, \$164,030,000. Its average annual income for eight years following 1972 when rate review began, \$10,504,000. So we do a little comparing. Alberta Power, supervised by a good Tory public utility review board, compared to Sask Power, free to charge all it will and to gouge the people, the gentlemen opposite would have us believe, in the eight-year period. Alberta Power, which is one-third the size of Sask Power approximately and has about one-third as many customers, has an income of the average of \$20,504,000. The much bigger Sask Power Corporation has an average net income per year of \$20,221,000. It's a good deal less than Alberta Power. Now we have another . . . (inaudible interjection) . . . Yes, that's free enterprise for you, John. You gouge. We'll really get to that in a short time here. You might say the bottom-line

comparison. The House would like to know how many cents out of each dollar goes into the pocket of each of the organizations. I gave these figures last year and I want to update them.

During the nine-year period, 1972-80, Calgary Power charged its customers \$1,699,090,000 for its services. Its net income for those years was \$441,457,000. In other words for every dollar it took in, it pocketed 25,9820 cents. Now that's up from last year. Last year the figure was 25.3263 cents, so they are going up. Alberta Power during those same nine years had total revenues of \$738,710,000. Its net income was \$164,030,000. For every dollar it charged its customers it extracted a net income of \$22.20 and this is a gain over the eight-year period. Last year it was 21.3142 cents. SPC can't gouge as well. Its revenue for the period was \$2,285,623,000. Its net income \$181,989,000. For each dollar it received from its customers it kept only 7.96 cents. So who is gouging, SPC or those regulated utilities in Alberta looked after by a public utility review board which the gentlemen opposite want us to set up for Saskatchewan?

While I'm on the subject of how much of every dollar of the three utilities ends up as a profit. I want to take the matter a little further. I want to show you a trend. I asked myself this question: over the years I've been examining has the portion of revenue ending up as net profits been increasing or decreasing for the three utilities? And here, based on selectively sampled random years, are the results. In 1973, Calgary Power took 19.9311 cents from every dollar. In 1976 it took 25.591 cents. In 1980, the figure, as I gave you before, is 28.46 cents. More and more every year. If you will take all of the years you will see that trend established without mistake — not bad for a monopoly reviewed by a public utility review board.

Alberta Power — we'll take a look at that. What's been happening to this portion of the dollars it takes in? Well, in 1973 Alberta Power was content to keep 19.4935 cents of each dollar it took in. In 1976, the portion had risen to 20.2361 cents. For 1980, it is up to 25.69 cents — not a bad increase. One quarter of every dollar winds up as profit — not bad when you are supervised by a public utility review board. As I said, they have learned how to reach very effectively into consumers' pockets and take a good deal of profit out.

Now there is SPC. What about SPC? Well, in 1973 for each dollar SPC got from its customers it kept 12.9549 cents. In 1976 the figure was 8.9556 cents. In 1980 it had dropped to 4.5912 cents — very, very different, a very different picture. Sask Power's net take went down, the private utility operators in Alberta reviewed by a public utility review board went up. On the basis of such evidence, Mr. Speaker, Saskatchewan consumers would not benefit from a public utility review board.

A public utility review board, from what I can see, doesn't hold down rates. It is simply a waste of money, talent and time. If the government wants public input, wants public participation in the setting of rates, there certainly must be some way far superior to a public utility review board. The Alberta Public Utility Review Board allows a much larger mark up on energy than does the Government of Saskatchewan. It also allows an increasing portion of revenue to end up as profit whereas in Saskatchewan the portion of revenue ending up as profit is declining. In view of such facts we certainly don't to go for a public utility review board.

Now before closing I want to make some more comparisons of what people pay for power, and these become more and more interesting as time goes on. I went through this exercise last year and I went through it again last night and these are really revealing. I do this and I'm going to go through this because the members opposite say that Sask Power gouges, it profiteers, it rips off people, that private enterprises under public utility review boards obviously don't do that, that those companies are very efficient, etc., etc. And what they say is totally hogwash.

Alberta Power revenues are higher and it puts more money in its pockets because it is permitted to gouge. It takes a larger portion of each consumer dollar into its pockets and it raises its rates a good deal. I want to make some comparisons here and please bear with me, Mr. Speaker, because these are very interesting comparisons, I will give you some of what I gave you last year just to show what's happened in one year.

Let's take the city of Calgary and the city of Regina and the old senior citizen using 300 kwh of electricity. With Sask Power, the total cost to the individual in Regina would be \$14.09. In Calgary it is \$14.60. Now, Mr. Speaker, the rates in Calgary are not reviewed by a public utility review board since the city sells that electricity to its consumers. Those are about the best rates I think you will find in Alberta. Rather interestingly, Mr. Speaker, the spread between the 300 kwh in Regina and Calgary last year was five cents. It was five cents cheaper in Regina than in Calgary. This year it costs 51 cents more in Calgary. Let's take a look at Grande Prairie and Prince Albert. Now Grande Prairie is served by that paragon of free enterprise, Alberta Power. And if you are a senior citizen living up there and you buy 300 kwh of electricity the total cost to you would be \$31.87. In Prince Albert, on the other hand, it would only be \$14.09.

It is rather interesting. Sask Power raised its rates a bit in the last year, and its rates went from \$13.15 to \$14.09. But if you lived in Grande Prairie it went from (this can't be right) \$19.39 to \$31.87. How do you like that for an increase? If you live in Airdrie you are served by Calgary Power and in Shellbrook you are served by Sask Power. In Airdrie the same person would pay \$17.22. In Shellbrook he would only pay \$15.70. The spread isn't too great there. Now if you are up at Sexsmith, a little bit smaller community, and you buy 300 kwh of power, it would cost you \$36.40. On the other hand at Ogema, approximately the same size, I gather, the cost would be \$15.70 — not even half as much.

But the one I really like is when we get down to the smaller community. Now let's just say you're in Minburn and you are a senior citizen and you were just squeaking by last year. What position are you in this year, Mr. Speaker? In Minburn you are served by Alberta Power, and if you buy 300 kwh of power the cost to you is \$40.71. If you move over to McLean, Saskatchewan, and you are served by Sask Power, the cost to you is \$16.66. That includes education tax. This is a tremendously interesting comparison, Mr. Speaker. Sask Power's rate increase for this year from March 1981 to February 1982 for the poor old senior citizen over in McLean amounted to \$2.11. But if he had the good fortune to be served by free enterprise in northern Alberta, the increase was \$15.98. Now, Mr. Speaker, that \$15.98 is extremely interesting. The increase alone was \$15.98. The total take, when you take off education tax, to Sask Power for serving that customer in McLean this year is \$14.43. Alberta Power's increase was greater than the total money going to SPC in McLean. That is your public utility review board.

Okay. That is one side. That is how a public utility review board is protecting the old-timers in Alberta, the single parents who can't buy a lot of electricity. That's the Lougheed government, that's the Tory approach on electricity for senior citizens. Now

we'll come to someone that's a little better off. We'll get up to the 600 kwh user — 600 kwh a month. Now, compare Calgary and Regina first. Calgary, as I said, is not reviewed and some people in Alberta have to pay a little bit less sometimes than in Saskatchewan. The 600 kwh user in Calgary would pay \$24.43; in Regina, \$25.87. There is a bit of a saving there. If you only look at the returns of the company though, there is quite a difference. This return to Sask Power would be \$22.40. The return to Calgary Power, because of subsidies and rebates and so on, would be \$26.10. But that is not a review. We could sort of forget about that. That one isn't reviewed. The public utility review board has nothing to do with that.

Let's go to Grande Prairie again and to Prince Albert where we have the sort of situation. In Prince Albert, served by Sask Power, for 600 kwh you would pay \$25.87. Now, that is up a bit from last year. Last year it was \$23.19. So you are paying about \$2.60 more. But if you were in Grande Prairie, Mr. Speaker, you would be paying, for the same amount of electricity, \$52.88. Last year, in April, you would have paid \$32.15. The increase in one year or 11 months, if you like, was \$20.73 — \$20.73 on \$32.15. Now what sort of an increase is that? Sixty-five per cent or something like that. It is one heck of an adjustment.

Let me go over to Airdrie and Shellbrook. This is 600 kwh again. Shellbrook served by SPC is \$26.33; Airdrie served by Calgary Power . . . Calgary Power doesn't gouge the customers quite as much as Alberta Power it seems. You would pay \$30 there.

Then we go to Sexsmith and Ogema. Ogema served by SPC (600 kwh) is \$26.33, up from last year's \$23.78. So you can say a \$2.50 or so increase. In Sexsmith, Alberta it is now, for the same amount of power, not \$26.33 but \$57.69. Last year the same amount would have cost you \$34.90. Again, it is one fantastic increase allowed by that great protector of the ordinary citizen, the public utility review board.

We go to Minburn and McLean. In McLean 600 kwh, SPC serviced, is \$26.05 — an increase from last year of \$2.36. Minburn, served by Alberta Power, is \$65.17 — an increase from last year of \$25.59, Mr. Speaker. It is almost as much as the total bill today at McLean.

We can go on to the farmers. Now farmers are interested in power. They buy it. We have the small, small farmer with a 7 kva capacity transformer and the farmer using 1,200 kwh per month. In Saskatchewan from Sask Power he would pay \$48.52 — a \$3.20 increase from last year when it was \$35.32. If you are an REA (rural electrification association) farm in Alberta served by Calgary Power, you would pay \$57.15. If it is Alberta Power (and they gouge), it is \$91.25 compared with \$48.52 in Saskatchewan. If you are on a non REA farm (and now these fellows aren't quite as preferred, I guess), Calgary Power would not charge you \$57.15. It would charge you \$62.34. Alberta Power would not charge you \$91.25; it would charge you \$102.96. That's again over 100 per cent more than the farmer would pay in Saskatchewan. Manitoba Hydro is slightly lower than Saskatchewan.

Now I could go on and talk about the big farmer, too, but I'll just mention a 30-kw or 33-kva transformer for 8,000 kwh; Saskatchewan Power Corporation, \$281.33; Calgary Power, \$306.32; Alberta Power \$583.89; and Manitoba Hydro about \$10 lower than Sask Power. Now those are the types of rates we have.

Just take a look at the size of the increase this year in Alberta where people are

supposedly protected. As I said, the people at McLean in Saskatchewan have an increase of \$2.11, but for the people at Minburn it's \$15.98 and their rates were \$10 higher for the same amount of electricity before. That is really protection. That is the Tory way. That's how you set up a system to protect farmers out at Milestone if the Tories were in. Yes, and it sure would be beneficial to them. I bet if you just passed this out, they would certainly be out to support you.

When you find increases allowed by a public utilities review board that are greater in an 11-month period than the total bill is for Saskatchewan Power, there's something wrong with the Alberta operation.

Mr. Speaker, I could talk a bit about what should be in Alberta. Calgary Power goes back many, many years to the turn of the century. They built hydro-electric plants 50, 70 years ago. Those plants have been paid off. They still spin. They generate electricity at very little cost. The capital cost is paid up. Sask Power doesn't have those types. Our plants are newer. We built our plants starting in the '50s — Queen Elizabeth, Squaw Rapids. We built up an efficient system.

It used to be when Saskatchewan had, maybe next to P.E.I., the worst electrical rates in Canada. During World War II the story went around that the federal government could not put up a single war industry in Canada because there was no surplus of electricity, and it was true. There wasn't. We had a few little plants spread out here and there with no transmission lines joining them. We had to start from scratch, from far behind. People here paid much more for power than in Alberta, but now they don't, because of what's happened with the SPC and because it's a publicly owned system and because the review process in Saskatchewan has been an excellent process. Management and the ministers sit down, and the board of directors sits down, and Crown Investments Corporation of Saskatchewan sits down and you get a whole lot of people looking it over and saying what's fair. On the board of directors there are farmers, housewives and so on and you get all this different types of input. And they want to change that? They want to change it to a public utilities review board?

You know, my colleague the hon. member for Quill Lakes, I think, is on the right track. It's a scheme to get rid of SPC and other Crown corporations. First, you know, you put up a public utilities review board. Then, looking at the Alberta experience, you jack up the rates. You get rid of the company to private enterprise and allow those companies lots of money so they can fill your campaign chest at election time. That's what happens. Has anybody got the figure for Calgary Power's donations to the Conservative Party, or Alberta Power? I'll bet it's very substantial. Oh yes, then Alberta Power and Calgary Power go and buy things like Harlequin Enterprises and they peddle pulp novels and things like that, and charge that, I suspect, to the electrical consumer. What the Tories are hoping to do is sort of get a system established where, if they ever got into power (and that I suspect is going to be a long time waiting), they could finance their re-election time after time. When you look at all these rates you find the ironic part; the best rates in Alberta are the rates that aren't reviewed. Calgary Power rates are the low ones. The city sells electricity there. The public review board has nothing to do with their rates. Those are the low ones. They have the public review board out in the country in the other community and the rates go up and up, and the increases this last year have simply been fantastic. Too bad the gentlemen opposite don't read and don't see what's going on over there, but I suppose that's not unusual for Conservatives.

Let's see here. I do have one other thing to say. I will be supporting the amendment, which I think is just an excellent amendment. We have had for years, and we still have,

an excellent crew over there at SPC and Sask Tel and SGI, and so forth, and I will be opposing the motion.

SOME HON. MEMBERS: Hear, hear!

HON. MR. ROMANOW: — Mr. Speaker, I will be asking leave of the House to adjourn the debate in just a few minutes. I want to say very briefly that this is a debate, I think, of some considerable importance, a bill of considerable importance, basically because of a Tory posture taken with respect to Crown corporations generally. I'm not going to pursue it because I think the hon. members for Quill Lakes and Regina Lakeview have done an excellent job in elaborating on that. I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 4:55 p.m.