

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 12, 1983

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF STUDENTS

Hon. Mr. Swan: — I would like to take this opportunity to introduce a group of students from the town of Rosetown. They're located in the Speaker's gallery. There are 23 students accompanied by their teacher, Mr. Brumwell, Randy Fox, Jake Wiebe and bus driver, Doug Sim. These students have travelled some 200 miles today to be with us. I hope that you're going to enjoy your stay in the legislature and find it interesting and informative. I'd ask all members to welcome them to the Chamber, and I'll be meeting with you at about 3 o'clock.

Hon. Members: — Hear, hear!

Mr. Sutor: — Mr. Speaker, I would like to introduce to you and, through you, to the other members of this Assembly, 50 grade 4, 5 and 6 students from St. Michael School. They're seated in the west gallery. They are accompanied this afternoon with their teacher-chaperones, Jamie Bresciani, Ken Dievel, Eileen Gillespi, and I wish them a pleasant visit to the legislature this afternoon. I will be meeting with them after, at 2:30, as well. I ask all members to join with me in welcoming them to this Assembly this afternoon.

Hon. Members: — Hear, hear!

QUESTIONS

Increase in SGI Deductible

Mr. Shillington: — Thank you very much, Mr. Speaker. My question is to the minister in charge of SGI, and it relates to your tragicomedy of errors with respect to the public utilities review commission. By way of background, let me remind the minister that the chief justice has confirmed what we predicted, and that is that they will not be able to hear Judge Boychuk's attempt to defend the integrity of his commission until November 8, with a decision probably coming many weeks or months thereafter. My question to the minister is: since your government obviously acted rashly and foolishly setting March 1 as the date, and since you have clearly lost this case in the court of public opinion, whatever the court of appeal may do, will you give us your assurance that SGI deductible will not be increased until the court of appeal has rendered its decision?

Hon. Mr. Rousseau: — Mr. Speaker, I have no intention of giving the hon. member that assurance. We have indicated that we are going to increase the deductible on July 1 of this year, and we will stand by that decision. If there's a change to be made at a later date, we'll address that problem at that time.

Mr. Shillington: — Supplementary. If Judge Boychuk is right, and you do have to

return the deductibles after November, how many deductibles do you expect to have to return? What's the quantum of the problem?

Hon. Mr. Rousseau: — Mr. Speaker, that is a very difficult question to answer. Hypothetical if you like. Certainly not available to anyone because I'm not going to forecast or determine how many accidents are going to occur in the province of Saskatchewan in the months of July 1 to November the 8th, and we'll decide that that figure will be made available to us at the time.

Mr. Speaker, I'd like to make this reply to the comment made by the hon. member, that if he was so sure that Judge Boychuk was right or that they were right, I'm sure they would not have introduced an amendment to the act that we have had in this Assembly passed last year, which did not include the deductible as part of the rates.

Mr. Shillington: — New question, Mr. Speaker. I have difficulty accepting your comment that SGI is in such total disarray that they cannot estimate the number of accidents that's likely to occur between now and November. But taking that as it is, in light of the endless confusion which is going to result, if you have to rebate what I predict will be tens of thousands of deductibles that'll be owing to Saskatchewan drivers whose vehicles are damaged, and in light of the obvious truth in Judge Boychuk's statement that you are undermining the integrity of his commission, will you not now reconsider and accept the amendment which we have proposed which would preserve the integrity of this commission, and save the confusion which is going to result when you are wrong?

Hon. Mr. Rousseau: — Well, Mr. Speaker, first of all the amendment introduced is not even a valid one as of last night in this Assembly, based on your ruling, Mr. Speaker. The hon. member knows full well that anything can happen during the summer-time as did happen last year in Prince Albert and in Saskatoon, with two hailstorms which created an extra number of claims.

So it can vary by thousands of claims depending on the type of summer or fall that we have. I have no intention of trying to estimate, nor asking my officials to estimate. We can take an historical estimate as to the number of accidents that will happen between those two periods, those two dates. But certainly I am not going to forecast what the weather is going to be like from July 1 until November the 8th to determine whether or not we are going to have X number of accidents or whether we're not going to have them.

Mr. Shillington: — Supplementary. My question which the minister obviously wasn't listening to is: why not end the confusion, accept our amendment which preserves the integrity of the commission and sets aside an possibility of your having to return deductibles?

Hon. Mr. Rousseau: — Mr. Speaker, how can I accept his amendment when he hasn't got an amendment? The amendment he introduced is not valid. It's been thrown out of this Assembly, so there is no amendment in this legislature. Furthermore I have no intention of even considering one. I have said that we have an act. We introduced it. I don't know whether they voted against it or not. They probably did. The fact is that that act today stands the way we've interpreted. If the court of appeal wants to change that, that will be a decision that we'll address at that time, but not until then, and meanwhile we're going to leave the \$500 deductible in place as of July 1 of 1983. I've repeated that answer many times.

Mr. Shillington: — New question, Mr. Speaker. As the minister well knows, the amendment was valid and is going to be reintroduced today under the routine proceedings. It was the preamble which Mr. Speaker had some problems with. I ask you again to address yourself to the simple, straightforward and cheap solution we're put forward. What's wrong with it?

Hon. Mr. Rousseau: — Mr. Speaker, I have answered the question I don't know how many times. No, again, the bill, if he's introducing an amendment to the act, that's fine. We'll deal with it at the time. Certainly we don't approve or we don't agree with the amendment that the member has introduced. It certainly is not going to be accepted by this legislature.

Mr. Shillington: — New question, Mr. Speaker. I would remind the minister that, at this early stage, we apparently have no less than four law firms involved. At this early stage in the proceedings, we apparently have no less than four law firms involved: one for SGI; one for the Government of Saskatchewan; Rendek, Kaufman and Embury from Regina, and Gauley and Co. from Saskatoon. I remind the minister of the astronomical cost of this court proceeding.

My question, Mr. Minister, is: have you no concern about the cost of this? Is that not a consideration at all? Because if it were, you would accept our amendment.

Hon. Mr. Rousseau: — Well, Mr. Speaker, certainly we are concerned about the costs. I want to remind the hon. member that it wasn't this side of the Assembly that cause that cost, that created that problem. It came from over there, Mr. Speaker. You know, for years that side of the Assembly could change and increase their rates and deductible, and go from \$100 to 350, as they did in their period of time, but then they didn't have a public utilities review commission that could police their positions they took. We had put that in place.

We don't believe, Mr. Speaker, that the \$500 deductible should be part of that. We've always said that. Nowhere in the act can they indicate to me or to anyone else that it says that that is part of the rate. It is part of the product. They haven't understood that yet, so they want to confuse the issue with the people of Saskatchewan, and say that the \$500 deductible is a rate. Well, it's not a rate. It is the product, and the public utilities review commission should deal with the rate increase, and we have taken that position until we are proven right by the court of appeal, which you have virtually forced onto the people of this province. If you want to be concerned about cost, take the responsibility yourselves.

Mr. Shillington: — New question, Mr. Speaker. Is the minister suggesting that the chairman of the commission is somehow or other a lackey of the opposition or taking his directions from us? Because I would remind you it was the chairman of the commission who launched the court proceedings, not the opposition, and I ask you: is that the view you take of the chairman, that he's somehow or other in our hip pockets?

Hon. Mr. Rousseau: — Mr. Speaker, I've said it many times in the past; I'll say it again: the chairman of the commission finds the issue to be a grey area. Some members on this side probably find it to be a grey area. As far as I'm concerned, I do not find it to be a grey area. I consider it to be a part of the product that we offer. I've always said that. I've not changed my mind on that. However, because there is that confusion, with the

public utilities review commission, members on this side, members over there, who can't understand anything that is pointed out to them in black and white, we are prepared to let the court of appeal make the decision. Whatever that decision will be, we will act on at that time.

Mr. Shillington: — A new question, Mr. Speaker. And I would remind the minister that he has just finished admitting that the chairman of the commission finds it confusing; the opposition finds it confusing; some of your own members find it confusing. It strikes me, Mr. Minister, that the whole army's out of step but you. Will you not reconsider your obstinate refusal to lay this matter to rest in a simple, cheap, straightforward fashion in this Assembly?

An Hon. Member: — By doing what?

Mr. Shillington: — Well, move an amendment. By accepting our amendment or moving alone.

Hon. Mr. Rousseau: — Well, Mr. Speaker, they want to introduce an amendment to the bill, the act that's . . . They have every right to do that. That's what the legislature is for. We may do the same thing. That is very possible. We haven't as yet introduced an amendment. Mr. Speaker, I am not going to decide today what position we will take. We have taken a position on the rate, or on the package under deductible. We've taken that decision already. If there is to be an amendment to the act introduced, we'll decide that at a later date.

Meetings re Check-Off Legislation

Mr. Engel: — I have a question, Mr. Speaker, to the Premier. On March the 29th you informed the House that the government was prepared to meet with any agricultural organization or commodity group to discuss check-off legislation of your proposed legislation. You also indicated that Saskatchewan Federation of Agriculture was to meet with you that Thursday, I believe you said in the record, at 5 o'clock. Has there been consultation with these interested groups and organizations on this proposed legislation?

Hon. Mr. Devine: — Well, Mr. Speaker, I don't know why the member is really asking me, I'm not the Minister of Agriculture. But grant it I said we were prepared to meet with any legitimate group on commodity check-offs, and I would refer to the Minister of Agriculture to talk about the dates when he is about to meet, or did meet, or whatever.

Hon. Mr. Berntson: — It seems to me, Mr. Speaker, that the Premier referred the question to the Minister of Agriculture so I'll address it now, but before I do, Mr. Speaker, I want to welcome my friend and colleague back from the sunny climes, wherever it was that he picked up his tan last week.

Mr. Speaker: — Order, please. Order. The Premier referred the question to the Minister of Agriculture and I would ask you to give the member the opportunity to answer.

Hon. Mr. Berntson: — As it relates to consulting agricultural groups relative to a commodity check-off legislation that may appear before this House at some future date: the date set for Saskatchewan Federation of Agriculture is April 28th. That is a change of an earlier date at their request. As it relates to the date with Saskatchewan

Wheat Pool: it's still pending. We talked with them this morning and they have other things on their plate at this time and it's inconvenient for them at this time. As it relates to other commodity groups: we've already talked to some of the other commodity groups, and before the legislation is in its final form we will have talked I suspect to all, or at least most, if not all.

Mr. Engel: — Supplementary, Mr. Speaker. I was asking the Premier, when he said that, 'We are meeting this Thursday at 5 o'clock with the Saskatchewan Federation of Agriculture' . . . My question is: did you have that meeting?

Hon. Mr. Berntson: — Mr. Speaker, the meeting was with the caucus committee on agriculture and, at the request of the Saskatchewan Federation of Agriculture, the date was changed to April 28th, 1983 A.D.

Mr. Lingenfelter: — Mr. Speaker, a question to the Premier. On March 29th in question period, you said to the member from Assiniboia that the meeting is set up with that organization on Thursday next at 5 o'clock. So that it is the case then — I'll give assurance that we'll meet with the Saskatchewan Federation of Agriculture.' Can you tell me whether or not, in fact, a meeting had been set up with the Saskatchewan Federation of Agriculture at that time?

Hon. Mr. Devine: — Mr. Speaker, all I can do is reiterate what the minister said. The meeting, to my knowledge, was established, the date, between the caucus and the particular group. At the request of the group, they asked to have the meeting time changed, and now it is April the 28th, as opposed to that particular Thursday.

Mr. Lingenfelter: — Mr. Speaker, a supplementary to the Premier. You are then telling us that, at the request of the Saskatchewan Federation of Agriculture, the date of that meeting that you had set up with them for 5 o'clock on the next Thursday was asked for by the federation of agriculture to be cancelled and changed to another date. Is that true?

Hon. Mr. Devine: — What I said at that date in the legislature was I was advised that there was a meeting set up between the agricultural committee of caucus and the SFA on Thursday, whatever it was, and at the request — I'm finding out today — of the organization they wanted it moved to another date. So they've agreed to meet at a subsequent date, rather than that date. That's about as much as I can contribute to that conversation or that meeting at this time.

Mr. Lingenfelter: — Mr. Speaker, a new question to the Premier. Having been contacted yesterday by the Saskatchewan Federation of Agriculture, they informed me that they were very concerned about the fact that the government had not met with them, not only with the Saskatchewan Federation of Agriculture but none of the 16 participating members, and I find it a little hard to believe. And I would like to ask one more time, from the comments you made indicating that you had set up a meeting for the next Thursday following March 29, whether or not that meeting had been set up and whether at that time you planned to attend it.

Hon. Mr. Devine: — What I said was that here was a meeting to be set up between the caucus and the Saskatchewan Federation of Agriculture. And that meeting has been changed. The date's been changed at their request.

Mr. Engel: — I have another question for the Premier. Similar kind of information was

given to this House when we questioned you on March the 21st about providing some assistance to farmers for fuel. And you said during the question period that day that the Manitoba NDP government has made purple gas for farm use subject to gas tax. Are you still of the opinion that that is the case? Or were you trying to mislead the House just kind of slightly, you know, just . . . (inaudible interjections) . . .

Hon. Mr. Devine: — Mr. Speaker, the press information that I received with respect to Manitoba was that they had increased the tax on consumers and producers. I mean, they're still piggy-backing on the federal program, and the Saskatchewan government isn't. So our tax is much less than it is in Manitoba.

An Hon. Member: — Is that the case?

Hon. Mr. Devine: — Well, it is the case.

Mr. Engel: — Supplementary, Mr. Speaker. I'm quoting from the Premier on page 15 from March the 18th:

Let me finish. There was purple gas in the province of Manitoba and recently the NDP administration in the province of Manitoba removed the purple gas for farmers and brought it up to the price of everybody in the province.

That's the statement you made. And that's absolutely false. Manitoba hasn't got any more tax on purple gas than Alberta does, or Saskatchewan. So are you prepared to back that statement, or are you just trying to use cover-up stories to tell us a line? It's similar with your meeting that you said, 'We're meeting with them at 5 o'clock.' That meeting never took place.

Hon. Mr. Devine: — Mr. Speaker, the members of the cabinet of this government do not stand on the steps of the legislature and burn the American flag. And I'm proud of that.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — And the members of this cabinet have been responsible for the largest single tax reduction on fuel in the history of this province, or any other provincial province.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — And if the members of this caucus say they're going to meet with the Saskatchewan Federation of Agriculture, or any other agricultural organization, they'll meet with them. And if that organization wants to meet at a later date, they will. It's my understanding that the deputy minister has met with the Saskatchewan Federation of Agriculture, and has discussed . . . (inaudible interjection) . . . Pardon me, Mr. Speaker . . . has discussed the check-off, and are prepared to discuss the check-off any time that the Saskatchewan Federation of Agriculture wants to discuss it. If they want to meet on April 28, they certainly can discuss it.

And second, with respect to tax in the province of Manitoba, virtually every tax there,

whether it is tax on gasoline or any other tax, is higher — tax on employees is higher there — than it is here.

Mr. Engel: — The simple question I was asking the Premier is: is there purple gas tax for farmers in Manitoba?

Hon. Mr. Devine: — Well, as far as I know, Mr. Speaker, there's more tax in Manitoba on virtually everything than there is in the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Engel: — Mr. Speaker, a new question. You informed this House that the people of Manitoba have been charged a purple gas tax. Farmers have been charged, and have lost their purple gas. Is that true or isn't it?

Hon. Mr. Devine: — Mr. Speaker, as I said, as far as I am informed, there is more tax in Manitoba on virtually every commodity than there is here, in the province of Saskatchewan: in terms of income tax, in terms of tax on commodities, tax on employees, tax in every combination, tax on fuel — tax on fuel.

Mr. Engel: — Mr. Speaker, a new question. The Saskatchewan farmers are paying exactly the same for their fuel as a trucker does. In Alberta and in Manitoba, both provinces, the farmer pays less for his fuel than the trucker. In Alberta it's 37 cents a gallon; in Manitoba it's 20 per cent. Are you prepared to admit that that's the case for Manitoba farmers and for Alberta farmers: they are paying 20 per cent less for their fuel than the trucker is?

Hon. Mr. Devine: — Mr. Speaker, clearly in the province of Manitoba . . . Manitoba taxes lots of people — in fact everybody. There may be a difference because they tax more people; and they tax some people even more than us. In the province of Saskatchewan, we reduce the tax on people. It's a different concept altogether. If there's a difference between what the farmer pays in Manitoba and what the trucker pays in Manitoba, it's because they tax the truckers more.

Mr. Engel: — That's the point I was trying to make, Mr. Speaker. The truckers are paying their fair share, but in Saskatchewan they're not. In Saskatchewan, the farmer lost \$68 million and we're trying to get that back. The farmers lost . . . (inaudible interjections) . . .

Mr. Speaker: — Order please. Order please! Could I have order in the Chamber? The member is trying to ask a question. I can't hear him and I'm certain that you can't.

Mr. Engel: — Thank you, Mr. Speaker, and I'm talking at the top of my voice, Mr. Speaker. The farmers in Saskatchewan lost a \$68 million advantage in last April, a year ago. They are suffering from the cost-price squeeze, and I'm asking you: are you prepared to do something for them like Alberta's doing and like Manitoba's doing? Are you going to help the farmers of Saskatchewan?

Hon. Mr. Devine: — Mr. Speaker, I am sure that the farmers of Manitoba would trade places with the farmers of Saskatchewan any day right now . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — . . . on one simple tax: that is the removal of tax on gasoline throughout the province of Manitoba. They would gladly have that today because they drive thousands and thousands of miles — to school, to church, to 4-H, to curling, as well as provide the school buses with the transportation to get their children to school. And in the province of Saskatchewan that tax burden has been lifted off of agriculture, and in Manitoba it's still there.

Some Hon. Members: — Hear, hear!

Rail Line Abandonment

Mr. Engel: — Mr. Speaker, the Premier didn't answer my questions. I have a new question for the Minister of Agriculture. You sent two of your back-benchers down to Rockglen to some rail line abandonment hearings. The ruling that came on my desk yesterday:

. . . and Canadian Pacific Ltd. Shall abandon the operation of the Fife Lake subdivision from Coronach to Big Beaver; (2) Canadian Pacific Ltd. Shall advise the commission in writing of the date upon which removal of the track and other facilities has been completed.

Will the Minister of Agriculture tell the farmers in this area that he will go to bat for them and help them appeal this decision?

Hon. Mr. Berntson: — I will tell the farmers any place in Saskatchewan that I will go to bat for them, as will this whole government, and as it relates to the two political hacks you talk about sending to Rockglen . . .

And Hon. Member: — I didn't say political hacks; I said back-benchers.

Hon. Mr. Berntson: — . . . and a good representation they made. As it relates to the particular ruling you're advancing this moment, it has not yet arrived at my desk, and when it does, I will review it. I therefore take notice of the question, and I'll deal with it after I've read the ruling.

Mr. Engel: — Supplementary, Mr. Speaker. The ruling was made on April 5th, and the Minister of Agriculture is making a fuss, but he hasn't been in the province for two weeks so we'll give you a chance to read it. The Premier has one of these on his desk.

The farmers in the area are concerned and they want to appeal this decision. Will you promise them some financial and moral support in their appeal, or will you send a couple of back-benchers down to another meeting and leave it at that?

Hon. Mr. Berntson: — Well, Mr. Speaker, I admit that I was out of the country for a couple of weeks. I was selling Hereford cattle on behalf of the farmers of Saskatchewan.

Some Hon. Members: — Hear, hear!

Hon. Mr. Berntson: — I wasn't holidaying in the sunnier climes of wherever . . . (inaudible interjection) . . . Where did you pick up your tan?

As it relates to this particular ruling, I've already said that once I've read the ruling, I will respond to the question. And if the hon. member isn't happy with the job that our back-

benchers are doing. I would be more than pleased to invite him to join them and help us fight for the farmers of Saskatchewan.

Some Hon. Members: — Hear, hear!

NOTICE OF MOTION

Mr. Shillington: — I give notice that I shall, on Tuesday next, move first reading of a bill respecting an act to amend The Public Utilities Review Commission Act.

ORDERS OF THE DAY

MOTIONS

Resolution No. 3 — Federal Funding of Education

Mr. Myers: — Thank you, Mr. Speaker. Mr. Speaker, I rise before this Assembly on a matter which pertains to all members of this Assembly, who represent all the citizens of Saskatchewan. The federal government has announced its intentions to cut back on educational funding, funding obligations to this province — obligations, which at the time the agreements were made, were urged for by Ottawa government — agreements to which Ottawa should live up to now; agreements to which Ottawa is bound to; and agreements which were made by, and want to be broken by, an uncaring federal government.

So those members who may not be aware of the aspects of the educational funding which I'm talking about, I will endeavour to explain the circumstances. The federal government is attempting to renegotiate the established programs financing, or EPF for short, arrangements to be negotiated in separate forms with the objective of attaining distinct objectives in each form.

The original EPF arrangements covered the period of April 1, 1977 to March 31, 1982. This block funding concept replaced previous cost-shared agreements covering post-secondary education. The new arrangements were implemented with the objective of placing funding for the programs on a more stable and predictable base. In April 1982, with the passage of amendments to EPF, the federal government unilaterally reduced its transfers to the provinces for health and post-secondary education by the sum of \$6 billion over the next five years — a substantial amount — a very substantial amount for these areas.

This new legislation contains no time constraints and may be amended at the convenience of the federal government. Not a very equitable arrangement to enter into, at least not for the provinces. It all seems to favour the federal government. There are clear indications that they are intent on developing a new financing arrangement to take effect this month 1983, new financing arrangements which will leave Saskatchewan with a \$7 million shortfall in the forthcoming year for post-secondary education, a decrease in funding which will continue to increase over the next several years. This was articulated by the federal minister, Mr. Regan. In his opening remarks at the July 1982 meeting with provincial minister of education, he stated:

The federal government's intention's to move towards a more equitable sharing of post-secondary education costs commencing with new

arrangements in 1983.

Also at the July 9 meeting Mr. Regan further clarified the federal government's position. One, he believes the federal government's current funding for post-secondary education is to be disproportionately high, given the split in constitutional responsibilities of the two orders of government for education. In short form, he believes that the federal contributions to education are too high, and he wants to cut back, cut back when we as a government are trying to move ahead with programs for post-secondary education.

Second, the federal government bases its support for post-secondary education on a number of principles and objectives which he outlined. Future funding of post-secondary education may be tied to provincial performance in achieving the objectives, objectives set by the federal government — fancy words for saying funding should be tied to federal standards, not to provincial standards.

Thirdly, the federal government intends the provinces to be more accountable to parliament for federal contributions to post-secondary education.

Fourth and finally, the federal government wishes to be more visible so that Canadians are more aware of the magnitude of federal spending in this area. This point will probably come to surface about a year prior to the next federal election, so they can boost up their own morale by saying they're spending more when in fact they've been cutting back — not a very good position to be in for the provinces.

It is possible that the federal government will impose its 6 and 5 per cent restraint program on EPF arrangements. The financial impact of such an action on Saskatchewan would be to reduce provincial revenue to post-secondary education and health by \$27.7 million in the years 1983-84, and by \$73.4 million in the years 1984-85. Applying the 6 and 5 per cent to the EPF would likely follow a perceived lack of provincial co-operation on economic issues, rather than an absence of progress respecting EPF negotiations.

In volume 26, number 2, page 80, of the *Ottawa Letter*, its headlines state, I quote:

Restraint Applied to Health, Education Spending. Provincial governments are upset over federal plans to apply 6 and 5 restraint guidelines to federal payments made to the provincial governments, and Ottawa is having some difficulty in demonstrating the proposed cuts are indeed being made according to guidelines. The move will cost provincial governments about \$102 million in transfer of payments for the '83-84 fiscal year.

Under the old formula for calculating transfer of payments, the provinces should receive more to keep funding in line with inflation and provincial spending. Under current legislation, the provinces are entitled to \$6.757 billion in transfer of payments in the years 1983-84, up from \$6.105 billion for the past fiscal year.

Ottawa plans to cut payments for '83-84 to \$6.655 billion. It doesn't sound like a significant amount, but it is a very significant amount when it applies to post-secondary education.

The article further states:

Ottawa would have to transfer the province's \$13.351 billion under the existing law, but will reduce that payment, under the restraint move, to \$13.249 billion.

It also states that Ottawa wants two-thirds spent on education, and government calculated reductions on that base. The provinces claim that Ottawa wants more control on how to transfer payment money is spent, but is cutting funding.

Until the late 1970s, Ottawa funded the provinces on the basis of payments . . . of spending dollar for dollar. The transfer payments were mushrooming at a far faster rate than inflation.

This government believes in post-secondary education. This is why the Minister of Advanced Education and Manpower, the Hon. Gordon Currie, announced in the past budget, 1,200 new positions in the present technical institutes. And that's why, in the last budget, the minister also announced a new geological sciences building for the University of Saskatchewan. These are programs taken by a progressive government, not like the present federal government which is trying to do a lot of back-peddalling on this issue.

I'd also like to quote from volume 16, number 12, page 93. It states that:

Students Protest Educational Spending Cuts. Leaders of 450,000-member Canadian Federation of Students told the federal government, March 14th, that they object to plans to hold increases in post-secondary funding to the 6 and 5 guideline restraint program.

Although the 6 and 5 guidelines are used to limit provincial moneys received from the federal government, they're not in limiting the federal government's spending on federal programs.

Mr. Speaker, I would like to move, seconded by my colleague from Saskatoon Eastview:

That this Assembly condemns the announced intentions of the federal government to cut back on its educational funding obligations and urges Ottawa to live up to the spirit and letter of the agreements on joint funding it urged the provinces to enter into.

Mr. Young: — Mr. Speaker, I have a very few unprepared words to say on this subject matter. I'd like firstly to thank my colleague, the member from Saskatoon South, for his very factual and thorough analysis of the problem that's going to be hoisted upon the people of Saskatchewan by the federal government in a typical fashion of their misappropriation of their priorities. Certainly the contrast, Mr. Speaker, becomes very clear as between the federal Liberals and the Saskatchewan Progressive Conservatives when it comes to priorities and where those priorities are placed.

We can look at what our priorities in education have been through our Minister of Education. In this recent budget we have increased spending on education, particularly the post-secondary technical end of education in this province which I think is very commendable.

However, on the other side of the stick, the federal government, although we do have

the obligation under what was formerly the British North America Act, section 91, and now under new constitution, to provide education, we do not have the resources available to us that the federal government does through its indirect taxation to provide the funds for this very necessary aspect of our society.

The situation is, Mr. Speaker, that the federal government in their fervour to attempt to bolster themselves in the public opinion polls, prioritizes its projects into those grandiose schemes that they feel will catapult them to a further election. Well, it's a very shortsighted sort of philosophy that the federal government is having, Mr. Speaker. You will not that they have lots of money for things such as Mirabel Airport. There's no shortage down there.

When you get down to the bilingualism program and the metrification program, there's no end to the money that the federal government can pour into those pet projects. One can recall the numerous advertisements on the television that we all saw about Canada geese flying along and then some sort of a propaganda message to follow. There was no shortage of funds for those things, Mr. Speaker.

A learned fellow in Saskatoon commented a few days ago on those goose advertisements. He noted that they should have been showing a picture of the Canada goose being plucked, as opposed to flying along, and he then commented that if there was any misunderstanding as to the pronunciation, that the person having the misunderstanding was probably more correct than the person who heard it right in the first place.

An Hon. Member: — That goose better not fly over Manitoba or they'll burn it.

Mr. Young: — They'll burn him down. That's right, Mr. Garner. I think that, hopefully, the federal government will see the light, so to speak, and come to the terms of the reality of this country and live up to its agreement with this province and provide the funding to this and other provinces for education, and in that sense, Mr. Speaker, change its priority away from the grandiose schemes and direct it more so to the very important aspects of health and education, which apparently are being turned away from as of lately by the federal government.

I think, Mr. Speaker, that for all members present this is a very, very important motion and we are very right in condemning the federal government in their intentions to back away from not only their commitment, which is wrong in itself, but also their priority in educational funding. And I would ask all members of the House to join with me in condemning the federal government for this new sort of move that they're up to presently. Thank you.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Thank you, Mr. Speaker. I want to join with other members of the Assembly in respect to the solution. I think that all will agree that maintaining the high quality of education is of utmost importance to our province, indeed our country.

But as a background, I want to say, Mr. Speaker, that I am surprised that the government would in fact be introducing a resolution of this nature. And I say that because when the government was in opposition the words that consistently were raised when we were government is that we should quit blaming the federal government, and that if they were the government they would do it themselves. Consistently they indicated that we

were procrastinating when in fact we were negotiating with the federal government in order for them to carry out the obligation which we felt they should.

I want to say that it's also strange now that the former opposition is government, because on occasion you will hear the Premier, and on occasion you will hear the finance minister, and what they are saying is that there is a new era of co-operation between the provincial and the federal government. They illustrate that by the employment program, which was, in my view, a dismal failure. And they go on and say that we're working in a co-operative manner with the federal Trudeau Liberals.

I think the truth of the matter and the reason that we're debating this resolution is that both government s are getting close to the point of bankruptcy and irresponsible management of the fiscal concerns of this country.

We look at a federal government, a Trudeau government with a \$30 billion deficit. We look here in Saskatchewan with a huge deficit, the largest in the history of this province, a half a billion dollars. And I want to say that at the root of this discussion is really the philosophical similarity between the two parties, the Tories and the federal Liberals. Both are following the same course of a lack of economic strategy, a lack of economic planning, and as a consequence, there is no money for needed programs. And in consequence what they do, one is cutting and the other is raising resolutions decrying the fact they aren't getting more from Ottawa.

I want to say that when you look at the philosophies of these government s, you will see a great similarity. Federal Liberal Party under Trudeau instituted guidelines — 6 and 5. Here in Saskatchewan there was quick approval of the guidelines slightly varied for cosmetics purposes. So exactly the same course is followed both by Trudeau Liberals and Devine Tories. And I want to say that when we get into the resolution, I think that we better take a look at the sharing for the established program funding. I want to say that established program funding from the federal government is designed for two purposes: helping to pay for the health costs of this nation, and secondly, education.

And I want to say that there is less than co-operation by this provincial government in so far as protecting the integrity of those funds which are being paid by the federal government. Why wouldn't we wonder if the federal government is concerned over the payment of the established program funding when, in fact, the integrity of some of those funds are being in jeopardy. And let me illustrate: the Minister of Health and Welfare, Monique Begin, has consistently indicated that medicare is in fact being undermined by extra billing throughout Tory provinces across this country. She has asked for support, that if established funding is going to continue, the provinces also give a commitment that the funding will go for the purpose and the intent of the established funding.

And I want to say that the Tory government of this province has refused to co-operate in maintaining the purpose for the established funding in so far as it relates to health costs. And I want to say that in Alberta recently, further they have undermined the funding of the federal government under the established program funding, and I'll tell you how they have done it. Not only have they extra billing in Alberta undermining the purpose of the funding, but they have instituted now . . .

Mr. Deputy Speaker: — The member should talk on the motion. I think he's getting a little strayed off to Alberta.

Mr. Koskie: — I'm talking about the established funding and health is a part of it. There's two purposes. You may not have been here initially, Mr. Deputy Speaker. There are two purposes for the established funding programs, established by the federal government. One is for the . . .

Mr. Katzman: — Point of order. Mr. Speaker, I believe that the motion says education funding on the second line, for the member's benefit, and I believe that's what the motion is all about. And health is not in this motion and we will be glad to debate a motion on health some other time. Please stay relevant.

Mr. Deputy Speaker: — The point by the member from Rosthern is well taken. You are straying onto health and let's get back to the motion and concentrate on that.

Mr. Koskie: — I'm going to establish here, and I think that's within the purview . . . We're talking about here. 'The Assembly condemns the announced intention of the federal government to cut back educational funding.' And I want to say that one of the purposes and the concerns of the federal government in respect to providing additional educational funding obligations, which they have undertaken under the agreement, is because there are two parts to the established funding programs: one covering health and the other covering education. And I want to say there is the freedom within the provinces to use that fund in the way they want, either for health or for education. It's not designated.

So the whole thing is tied into the established funding proceeds from the federal government. And I want to say that when we take a look at the resolution condemning the federal government, I want to refer to what the Minister of Finance of this province apparently indicated to the federal counterparts in respect to what their intentions were in this province prior to the budget:

Secretary of State Serge Joyal, the minister responsible for education, said the restraint policy will be applied through legislation that may be announced in the budget Lalonde hopes to introduce in April. He said the provinces of Quebec, British Columbia, Saskatchewan and Nova Scotia are already planning to hold their increase in education spending in 1983-84 to 6 per cent or less.

Now here we have a party which has given a commitment to the federal government that they aren't prepared to put money into education, cutting it back to 6 per cent, and they have the audacity to come forward, criticizing the federal government for their commitment.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — I want to say that education and the funding of education is indeed very important. And certainly the funding has to be shared by both the federal and the provincial governments. But I want to say that this province was in such good shape when we left office, and had it been managed for the last year, we would not have to now go on bended knees to Ottawa.

I want to say that evident in this resolution is the fact that this government has mismanaged the economy, and now are using the old game of transferring blame over to the federal government. I want to say that certainly this party supports the intent to

provide sufficient funding for education. And I want to say that when we look across this country we find eight provincial Tory governments who have the opportunity of discussing and putting their point forward with the federal government; and here they sit, not in heavy negotiations, supporting the concept for health and for education as laid down by the federal government, but they are smoke-screening the situation by instituting a resolution.

I want to say in closing on this that certainly when we were government we communicated with the federal government in the hardest way in order to get the best deal for Saskatchewan. But what I am saying here: when the Minister of Finance already goes down to Ottawa and indicates he's going to keep his expenses on education to 6 or less per cent, then surely he is agreeing that Ottawa should equally be able to decrease the amount of the funding from that source.

I don't think that the government opposite can have it both ways. I think that if they had demonstrated in their budget that they were committed to education in a reasonable fashion, with operating grants to the university, and operating grants to the schools throughout this province, if they had demonstrated that then I think this would be more realistic and more credible. I think that when we look at the meagre consideration that this government has given on its own to the education system in this province, what they are doing is merely disguising their inadequacy by trying to smoke-screen the blame onto the federal government.

The final thing I want to say is that . . .

An Hon. Member: — Thank God.

Mr. Koskie: — Yes, I imagine you would be glad that I sat down, so I think I will go on because the Minister of Finance wasn't here for all of this. And I want to say that here is the situation: Trudeau Liberals and Tory Saskatchewan made a deal; they made a deal to set guidelines, and both of them have agreed to it, because as I said, when the Minister of Finance went to Ottawa, he told the Secretary of State that he was going to keep spending down to about 6 per cent. Both have agreed on the guidelines; both said that they would spend less money on education and health.

Now they're coming forward and trying to demonstrate to the people of Saskatchewan that 'Oh, we put in a fair share in education, but it's those federal Liberals that didn't put enough in.'

Well I want to say, I want to say in conclusion, that there's guilt on both sides. There's guilt in the federal government for not sticking to increases in the established funding program, but I want to say, equally there is guilt on the treasury benches on the government opposite. I want to say that I will support the effort of increasing the amount of revenue from the federal government, but I also think that each province has also an obligation to make sure that they maintain the integrity for which the purpose of the funding was granted.

Thank you, Mr. Deputy Speaker.

Mr. Birkbeck: — Thank you, Mr. Deputy Speaker. I just come in in time to hear the member for Quill Lakes speaking on the motion that was moved by the hon. member for Saskatoon South, and I have to question, Mr. Deputy Speaker, whether in fact the hon. member read the motion. I also note that when he took his place he really never

indicated whether he was going to support the motion or disagree with it or where he stood on the motion. Further to that, Mr. Deputy Speaker, he failed to move any amendment to the motion. I would think that if he didn't agree with the motion, then he would want to move some form of an amendment.

The motion, Mr. Deputy Speaker, is really not all that complicated. It's just, very simply:

That this Assembly condemns the announced intention of the federal government to cut back on its educational funding obligations, and urges Ottawa to live up to the spirit and letter of the agreements on joint funding it urged the provinces to enter into.

Now, that seems like a fair enough motion to me, Mr. Deputy Speaker. Why the member for Quill Lakes would want to get up and take all of his speaking time to question the integrity of this government — the provincial government — when in fact the motion addresses itself to the integrity of the federal government, is quite difficult to understand for a lot of people, Mr. Deputy Speaker. But it's not difficult to understand for myself and a lot of members on this side of the House. Because we understand, Mr. Deputy Speaker, that very close relationship which the NDP in opposition have had for many, many years with their Liberal friends in Ottawa.

That has been very much proven, Mr. Deputy Speaker, as we take a look at some of the matters that the NDP in opposition have joined hands with the Liberals in Ottawa in supporting. We could take a look at the national energy program; we could take a look at the metric. It should be noted, as it relates to metric, that it was this NDP in opposition, when they were in government that set the legislation, or rather the regulations in place to provide for the transfer of land from acres to hectares in the province of Saskatchewan, in concurrence with the federal Liberals' move to change our whole system to metric.

So I raise that, although that is certainly not right on the target with regards to the motion. It is only said, Mr. Deputy Speaker, to prove why the member from Quill Lakes failed to speak in support of the motion condemning the federal Liberals, because they don't want to condemn the federal Liberals; they never have. They've always been one, and for our part on this side of the House, as government members, we hope that they always stay together, because they're going down and they might as well both go down together.

The other issue, Mr. Deputy Speaker, where they have consistently been together is with regard to the rent controls. That was another good example. And all I want to say Mr. Deputy Speaker, as it relates to this government, and this government's commitment to education and to health, is that in health alone we have made a commitment of 10 per cent increase in funding in our budget. And as it relates to post-secondary education we're looking at a 12 per cent increase.

So, here I stand, Mr. Deputy Speaker, speaking on behalf of the provincial government and indicating very clearly that in post-secondary education alone a 12 per cent increase. And yet, Mr. Deputy Speaker, we have the member for Quill Lakes, I would expect speaking on behalf of the NDP in opposition, condemning the provincial government for moving this motion and for condemning the federal Liberal through this motion.

Now, I fail to understand that. It's very clearly pointed out, Mr. Deputy Speaker, that the

only reason that they could do that would be in continuation of their support for the federal Liberals. Now, Mr. Deputy Speaker, there's a lot that I want to have to say with regards to this motion, but as I said, I came in rather late, and therefore, I would not want to . . .

An Hon. Member: — Johnny-come-lately.

Mr. Birkbeck: — Well, that's correct. The hon. member comes in and says, 'Johnny-come-lately,' the member for Assiniboia-Gravelbourg. You're correct. I had to go back to my office. There were some phone calls from my constituents wanting to know why the NDP in opposition were making such absurd charges during question period, and I had to go back and answer those questions vis-à-vis the telephone calls. For that reason, Mr. Deputy Speaker, I was out of the House. I was in my office and I just came back in in time to hear the member for Quill Lakes making, again, some more further absurd charges on the Assembly.

Therefore, I think it's inappropriate that I would speak any longer on the motion as it exists, except to say that I certainly support the motion as moved by the member for Saskatoon South.

Some Hon. Members: — Hear, hear!

Motion agreed to.

Resolution No. 9 — Voluntary Organizations

Mr. Dirks: — Thank you, Mr. Speaker. At the conclusion of my remarks I intend to move the following motion:

That this Assembly asserts its belief that voluntary organizations are an essential ingredient of the community spirit in Saskatchewan, and commends all those who give freely of their time and effort for the benefit of their neighbours.

I can think of no more appropriate time, Mr. Deputy Speaker, to talk on this motion, than this week, a special week here in the history of this province and of Saskatchewan, of the city of Regina, the capital city. We are of course honoured here in our capital city to be hosting the world curling tournament, the Silver Broom, in Regina, a most prestigious event and an event which, in large measure, will be dependent for its success upon the involvement of many, many volunteers.

The prime example of the volunteer spirit at work in this event is the fact that here in Regina the world's largest dinner party will be held later on this week — I believe something in excess of 2,000 people. Two thousand visitors to Regina will be attending dinner parties throughout this city — a good example of the volunteerism and voluntary spirit which pervades this city and this province.

Now, Mr. Deputy Speaker, volunteerism and voluntary organizations have always been an essential ingredient in Saskatchewan's community spirit. This spirit of pulling together, of working together, of sacrificing our time, our efforts, our energy, our money, for other people, for our communities, was a strong characteristic of our forefathers, and it is, I believe, a strong characteristic of Saskatchewan people and

Saskatchewan families today.

The strength of Saskatchewan has always been the people of Saskatchewan. We are a world-class community of individuals, as our Premier has said so aptly on various occasions. But we are not only world-class in our competitiveness, in our competitive side of life, but we are also first-class in our compassionate and caring and helping and sacrificing and sharing side of life. And that is, of course, Mr. Deputy Speaker, one of the reasons why Saskatchewan is such a fine place to live, to work, to raise a family, and to retire.

And it is, Mr. Deputy Speaker, difficult to conceive of how impoverished Saskatchewan would be, were it not for the thousands upon thousands of people who so selflessly and so generously give of themselves to maintain strong and viable, healthy communities — communities that are rich in cultural and educational, religious and social and political opportunities.

That which is commonplace in our lives, Mr. Deputy Speaker, we often take for granted, and because voluntary organizations and volunteerism, has become such an integral part of the flavour of Saskatchewan communities, I think we tend to overlook and to ignore and to take for granted the important aspect of volunteerism here in Saskatchewan.

So I think it is important for us today to recognize the fundamentally important role that voluntary organizations and volunteers have assumed in this province, and that we encourage the further development of the spirit of volunteerism, and that we commend those many, many people from so many walks of life who are volunteers.

I would ask the members of this Assembly to consider with me for just a few minutes the many areas of human activity in this province which are largely dependent upon volunteerism for their success. Consider, for example, an area that is near and dear to the hearts, I am sure, of all of us in this Assembly. That of course is the area of politics and political life — political parties, political conventions, election campaigns, constituency political organizations. They are all dependent for their success — all of them — upon the active involvement of unpaid volunteers.

Indeed, I believe it would be correct to say that the present and future health of democracy and the democratic tradition in this province is in large measure dependent upon the existence of a vigorous and healthy spirit of volunteerism here in Saskatchewan.

It would be impossible, Mr. Deputy Speaker, to ascertain all the ways in which Saskatchewan people are involved in volunteer work, but I do want to draw our attention to some of the organizations and some of the areas in which they are involved — organizations that play such a key role here in maintaining Saskatchewan community life.

Consider the Jaycees as an organization. I understand there are approximately 300 volunteers, 40 of them here in Regina, actively, actively involved in community and individual development. One of their major projects is to sponsor the Miss Roughrider Pageant, and they are responsible for the Peter Pride anti-vandalism program for children in grades 1 to 3. And they teach courses in leadership and action and parliamentary procedure.

Now, some members of this Assembly are likely familiar with the Kiwanis Club. Here in Regina, I understand there are a goodly number of members. Kiwanis clubs are, of course, service organizations. The projects include building and maintaining camps for Girl Guides. They're involved in Little League baseball, the Kiwanis Park here in Regina. They raise approximately \$21,000 to \$14,000 a year for voluntary purposes.

The Kinsmen organization — again, another crucial organization in this province. Their objective is to serve the community's greatest needs, and their projects include the well-known Telemiracle, bingos, and rodeos. They're involved with the Boy Scouts and the handicapped, and they have in excess of 2,500 members in this province. Last year — and I think we need to recognize this and bring it to the attention of all members of this Assembly and the province — the Kinsmen organization raised \$3.25 million last year, much of that through the Telemiracle enterprise here in the province.

The Shriners, of course, another very important organization, have 2,400 members and they are involved in the very significant work of helping crippled children here in the province. They raise their money through sponsoring circuses and exhibitions. The Saskatchewan Association for the Mentally Retarded has 30 branches throughout the province, and they provide educational, residential, vocational services to mentally handicapped people. We have the Saskatchewan Big Sisters Association — 72 members here in Regina.

Then we have the Rotary clubs. The object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise, and in particular to encourage and foster: first of all, the development of acquaintance as an opportunity for service; and second, high ethical standards in business and professions, the recognition of the worthiness of all youthful occupations, and the dignifying by each Rotarian of his occupation, as an opportunity to serve society; and third, the application of the ideal of service by every Rotarian to his personal, business and community life; and fourth, the advancement of international understanding, goodwill, and peace through a world fellowship of business and professional men united in the ideal of service. They have something like 260 Rotary Club members in Regina. There are at least 20 Rotary clubs in Saskatchewan.

That, Mr. Deputy Speaker, is just a very short list, indicative of the many fine people and the many fine organizations that are working here in this province to build a better Saskatchewan.

In the area of education and cultural organizations, religious life and recreational life, service organizations, community organizations, medical organizations — there are just so many, Mr. Speaker, that we could list. I don't want to take time to list any more, but I do want to take time to ask this Assembly to consider seriously this motion, and in so doing to commend those many, many individuals and those many, many organizations that make this province the number one province in which to live in Canada — a very, very fine province, indeed, largely because of the volunteers, the voluntary organizations, and the very healthy spirit of volunteerism which exists here in Saskatchewan. Thank you.

Some Hon. Members: — Hear, hear!

Mr. Dirks: — Mr. Deputy Speaker, I therefore move, seconded by the fine member from Regina Lakeview:

That this Assembly asserts its belief that voluntary organizations are an essential ingredient of the community spirit in Saskatchewan, and commends all those who give freely of their time and effort for the benefit of their neighbours.

Mr. Embury: — Thank you, Mr. Speaker. I am pleased to enter the debate on the motion before us this afternoon. I once again would like to thank all those volunteers that helped myself and my colleagues win the last election. I think that alone stands as a fitting tribute to volunteers in this province.

Mr. Speaker, historically, this province wouldn't be here without the efforts of volunteers. After all, Mr. Deputy Speaker, it was a necessity for people to help one another and to volunteer. When our forefathers came to this province, there was no government infrastructure to help them establish themselves in this prairie. There was no crown corporation or government department to help them set up their homesteads. There was no crown corporation or government department that would lend them help in building their first homes on the prairie, in establishing their first communities. In fact, Mr. Speaker, it's a historical fact that the harvest was done in a community effort by volunteers. Local government was formed by volunteers at no pay. In fact, Mr. Speaker, the whole social fabric and economic fabric of this province was really created through the work of volunteers.

Mr. Speaker, it showed two things, I think, and one was that the spirit of the Saskatchewan people in coming together in the co-operative type of work, and also it showed their independence. They were also independent of one another and competitive with one another.

There was no government around, Mr. Speaker, when this province began, to dictate to these people how they should run their different ventures and that they should do this or that.

Mr. Speaker, I think that the infrastructure that we see in Saskatchewan today, the local governments that are in place throughout this province is a direct result of volunteers and that pioneer spirit that came to this province.

And it's in place today, Mr. Speaker, in all your local towns and in the cities, where groups of people get together to build and finance recreational facilities, to build community halls, to man such things as a volunteer fire department. That same spirit, that same volunteer spirit that started this province is still in place today. These people still feel the pride of being volunteers and the pride of also being competitive.

I think, Mr. Speaker, the deep-rooted aspect of volunteerism has resulted in some pretty strong economic infrastructure in Saskatchewan today, and I think it came about from the grouping of people together for economic benefit. And we just have to look around this province at the results: at the co-operative movement, which is very strong in Saskatchewan, which is very competitive and which is a very strong economic force in this province. Another area that you could look at would be in the financial area in the credit union movement: a strong economic movement in Saskatchewan, all based on the volunteer spirit started at the beginning of this province. Look at the wheat pool, Mr. Speaker: the same aspect.

But I think one has to remember that where people banded together for economic

benefit, they were also deeply individualistic. They were competitive; they did not want to be dictated to.

Mr. Speaker, I think that if you went to Europe and to the other countries where our forefathers came from to tell them that they could come over here and to begin homesteading because they department of whatever was going to take care of them, they wouldn't have come. They were escaping big government, dictatorial government. They came here to be individuals, to come together on a voluntary basis to create their future.

Mr. Speaker, I think the results of volunteerism has had a deep effect on the social fabric of this province, as well as the economic fabric. I think my colleague from Regina Rosemont has mentioned a number of organizations that have come together to work for certain groups of people and for certain aims. I think myself of such organizations as the Big Brothers association, the Regina senior citizens' centre (of which I had some experience a number of years ago) and the family service bureau. Mr. Speaker, these are the types of organizations that have come together and have been put together by people who wanted to volunteer their time, and had a cause and a reason to do that. And I think, Mr. Speaker, they did that, not because they wanted big government to come in and fund the whole thing and they just wanted to become a part of government; they did it because they had a real sense, the sense of what Saskatchewan people are all about.

I think, Mr. Speaker, my colleague from Regina Rosemont has mentioned some of the service clubs in this province which are strong and vibrant. The Kinsmen, obviously, with their Telemiracle is a grand example of how a group of people come together on a volunteer basis to raise significant amounts of money for their different causes. No government, Mr. Speaker, no government involvement; the only government involvement is when we become partners — when the Minister of Health matches some of their funds to build a worthy project in Saskatoon. A partner, Mr. Speaker, not a boss; not an overbearing, heavy-handed boss the last government was becoming in the funding of these organizations.

Mr. Speaker, I think all governments from the beginning of the history of Saskatchewan has always been cognizant of the importance of volunteer groups. I think, to a certain extent, most governments have funded these groups to an adequate level. Mr. Speaker, what is an adequate level of funding? Obviously, funding is important for these groups, but overfunding is just as bad as underfunding, Mr. Speaker, because at what point does an independent organization become dependent on government? At what point does an independent organization become simply an agency of government?

It is not facetious to say that he who pays the fiddler calls the tune, Mr. Speaker, and I think that some of the attitudes of the last government, the former government — they didn't want to be partners with these organizations, Mr. Speaker, they wanted to be the boss. They wanted to call the tune. They wanted simply to have agencies out there, so that they could progress their own philosophy. They didn't allow independence of these groups. They didn't allow them to be individuals, and to carry on in the spirit of Saskatchewan.

I think, Mr. Speaker, our present Minister of Social Services should be congratulated for taking a new look at these organizations, to allow them some independence, to allow them to do the things that they had started out to do in the first place.

Mr. Speaker, it is a pleasure for me to second the motion proposed by the member of Regina Rosemont, and I will certainly be voting for that motion.

Some Hon. Members: — Hear, hear!

Mr. Engel: — Thank you, Mr. Deputy Speaker. I, too, would like to speak to a resolution that says:

That this Assembly asserts its belief that voluntary organizations are an essential ingredient of the community spirit in Saskatchewan, and commends all those who give freely of their time and effort for the benefit of their neighbours.

I listened with care to both the mover from Rosemont, and the seconder to this resolution. When I first read this resolution and decided to speak on it, the question came to me: who is my neighbour? Who is my neighbour?

And Hon. Member: — The answer was no one.

Mr. Engel: — The Tories are saying the answer is no one and we don't have any neighbours. I don't say that. Today, Mr. Deputy Speaker, we are living in a world community. Our neighbours are people all over this globe, not just here in Saskatchewan.

The mover talked about the strength that the people's effort put forward in voluntary organizations and showed compassion, caring, and sharing. I agree with that. I know that is the case, and I know of the benefits of that caring and sharing, not only here in Saskatchewan, not only selfishly looking at my own community and my own rink that was built with voluntary organizations and our own fire department and these groups — great! They're wonderful, and they're doing a good thing. They're acting independently. A lot of these projects would have never gotten off the ground if it wouldn't have been for some involvement, some measure of instigation on behalf by the government, so that people could afford to build facilities like that.

Come down to Glentworth, Saskatchewan, and see a rink joined up by a curling rink with a large kitchen in the centre, artificial ice in both the rink and the curling rink. Do you know when that facility was originally built, \$85,000 or \$90,000 came from the provincial government in the form of grants? Without that there wouldn't be no rink. Without that there wouldn't have been a rink. And so you need some seed money.

And somehow, somehow the member from Lakeview is trying to make the position that any government involvement and any help from the government was going contrary to what these voluntary organizations were. And he talked about the co-op movement and the credit union and the pools. Why did these organizations get started, Mr. Deputy Speaker? Think about your own community and your own forefathers and your own application. Why did the local pool get started in your area?

Well, I'll tell you why it got started down in Gravelbourg. My dad took a team of horses and a wagon and hauled a load of wheat all the way to Morse, Saskatchewan. I can remember those days; I'm that old. And I can remember him coming back and getting \$17 for the whole load - \$17 for a load of grain. That's why that voluntary organization called Sask Wheat Pool got started, because the free enterprisers had the farmers with their backs to the wall.

Today we are running into the same situation — 50 years later. We have a free enterprise government, preaching their free-enterprise, do-it-yourself philosophy. And what's it going to do to the farmers? You're planning on introducing check-off legislation. That has to do with voluntary organizations, Mr. Deputy Speaker. You're planning to introduce check-off legislation, so that your friends, the Cargill Grain Company, can market their grain, and so you can go contrary to the Canadian Wheat Board, which was formed because groups of farmers got together and acted to help themselves and help their neighbours. I'm exactly on this topic, Mr. Deputy Speaker. And they gave freely of their time and effort to travel around and organize.

I got a letter this morning from a lady that said it's her dad's hundredth birthday, and she wanted different people to know that it's his hundredth birthday. She told in that letter how they had meetings at his house and organized the first wheat pools in the area, and how Mr. Coldwell and different ones came around and had meetings right in their yard and picnics down there south of Willow Bunch in that beautiful park area, where they organized voluntary organizations that actually helped solve their problems and gave some degree of independence.

There's one other area that I'm very concerned with, and that is the organizations — 29 of them in Saskatchewan — that are grouped together and they call themselves the SCIC, the Saskatchewan Council for International Co-operation. Here is a mother organization that represents almost all the people in Saskatchewan — almost all the people of Saskatchewan indirectly belong to the SCIC. SCIC represents all the voluntary organizations in Saskatchewan. They represent all the church groups. The Catholic church is represented; the Lutheran Churches are represented; the Mennonite Central Committee. These people have banded together and organized and formed a board that's responsible for looking after our neighbour. And who is our neighbour? The resolution says here 'who give freely of their time and effort for the benefit of their neighbours.'

Projects were sponsored all over the world. I looked at today, Mr. Speaker, when I asked the question of the Attorney General — I asked the question.

Mr. Speaker, I have a question for the Premier in the absence of the Minister of Agriculture. The downturn in the economy as it has been called today, or the recession, has really not affected the compassion of the people of Saskatchewan. I am told that their giving towards international aid projects has increased to \$4 million and is projected at \$4 million again this year. Can the minister tell me why they have cut their budget in half for funding for international aid projects?

And Mr. Devine starts:

I'm . . . I don't have that information at, at my disposal, but perhaps the Attorney General might.

And so what does it say here:

HON. MR. LANE: - Mr. Speaker, the hon. member . . . It's unfortunate one of the difficult decisions we had to make. We did make the decision to restrict the funding for education which (and then he stalls a little while) and development within the province of Saskatchewan. We made that decision

last year. Certainly we had to make some priority assessments and decisions. You will note we did increase for economic development. We did increase for economic development.

They cut it from \$2 million to \$1 million. And he calls that an increase. But anyhow:

You will note that we did increase for economic development, an area where we believe that a high priority exists in the matter of native issues. It's simply one of the more difficult decisions we had to have, a, what I think, a moderate cut-back compared to some other provinces.

What are the other provinces doing, Mr. Deputy Speaker? So I asked a supplementary question:

The Attorney General said it's a moderate cut-back, cutting back from 2 million matching grant to 1 million makes a difference of \$8 million because of the matching grant formula.

And then the member says:

I think the hon. member (Mr. Lane answers), I think the hon. member . . .

Mr. Dirks: — A point of order, Mr. Deputy Speaker. The member is referring specifically to amounts of money which will be designated for overseas organizations. This motion refers specifically to asserting our belief that voluntary organizations are an essential ingredient, and commending all those who give freely of their time and effort for the benefit of their neighbours. I'm not so sure, Mr. Speaker, that making reference to specific sums of money for overseas projects is, in fact, in keeping with the spirit of this motion, and I'd like you to make a ruling on that.

Mr. Deputy Speaker: — I think I find your point of order well taken. I would like the member to continue and relate to the motion in hand.

Mr. Engel: — Mr. Deputy Speaker, the motion reads that we commend the voluntary organizations for an essential ingredient of our community spirit. The point I'm making is: the voluntary organizations are working in co-operation with this government. And this government's actions, because I am planning on moving an amendment . . . This government's actions are contrary to what the member says here. I'm going to amend this by adding after the word 'neighbours'.

but condemns the provincial government for its failure to provide adequate funding to the non-governmental organizations.

They are voluntary organizations. That's part of my resolution. And the point that I'm going to develop, Mr. Deputy speaker, if you . . . (inaudible interjections) . . . That's possible. Mr. Deputy Speaker, do I have the floor? Thank you.

The point I'm making is that the Attorney General, a spokesman for the treasury department of this government, said that — and I caution the hon. member to check his figures, because that is significantly correct and I believe it's closer to a quarter of a million dollars that was spend within the province of Saskatchewan, and not spent overseas in world development. Mr. Deputy Speaker, the director of SCIC contacted

me when she saw these numbers, and she said that is a gross overstatement. The only money that the SCIC, the voluntary organizations, spent within this province was money that they raised from themselves. From this matching grant formula of \$2 million that we gave them before, they got a per cent — one per cent for administration costs, and that one per cent was used to divide the money up amongst world relief organizations, and world organizations that were spending it abroad.

The member from Lakeview said that he who pays the piper calls the tune. Is that why your government, and that's why the member for Rosemont agrees with his government cutting back the funding to SCIC by half? Is it because clearly that he who pays the piper calls the tune; that you were unable to use your influence with SCIC and their matching grants, and you were unable to dictate where that money goes, so you said, 'Well, if we can't tell them where to spend it, and if we can't have our fingers in that pie and control the spending, we won't give it to them'? Is that why you cut their funding in half?

Here you want a resolution that pats, Mr. Speaker . . . Here we have before us a resolution that says it's great and we believe in voluntary organization. That's wonderful, and I support that 100 per cent, but why not our pocket-books where our mouths are? We can talk about voluntary organizations. It's great to talk about the social services minister allowing those voluntary organizations some degree of independence by cutting their funding; that's really great. But the voluntary organizations that I've talked to and the people I met with enjoy the ability to be able to make their dollars work for them, and enjoy the ability to act independently.

The SCIC like I said before, that represents almost all the people of Saskatchewan. Everybody in Saskatchewan belongs to one or other of the church groups or organizations that are supported under the umbrella group SCIC. They speak on behalf of all of us.

So this isn't a political issue. And we are saying to them in one breath that we're really great, you're a wonderful voluntary organization, and you're an essential ingredient of our community. And on the other hand, we cut their funds in half, so that that \$2 million they're raising could be \$8 million in the foreign field or all over the world on projects that are development in nature and are feeding hungry people where they really need it. We're cutting that back, in half, by our stingy approach to this.

So, I want to add, and I would like to move, Mr. Speaker, seconded by my colleague, the member for the Quill Lakes, that I would like to amend this resolution by adding, after the word 'neighbours':

but condemns the provincial government for its failure to provide adequate funding to the non-governmental organizations.

Thank you.

Mr. Speaker: — The Minister of Social Services. . . . (inaudible) . . . I seem to have consent of the member for Swift Current, so I'll recognize the member of Quill Lakes.

Mr. Koskie: — I thank you, Mr. Speaker. I just want to make a few comments in respect to the motion, and certainly I join with all members of the Assembly in support and in congratulation to the voluntary organizations throughout this province that have contributed so much to their communities and the welfare of this province.

Much has been said in respect to the volunteers of Saskatchewan, and I recall not long ago, at the opening of the legislature about two years ago, that the theme of the opening of the Centre of the Arts was, in fact, to pay tribute to the volunteers of this province. And I want to say that at that time, the former Mr. Chief Justice Culliton spoke, paying tribute to the voluntary associations, and I recall distinctly the words that he used as he mapped out the course of action and the contribution of volunteers in this province. And I was impressed with the statistics that he was able to put forward at that time, when he indicated that the total percentage per population in Saskatchewan of volunteers was somewhere in the neighbourhood of 28 per cent, which was over twice the national average, and indeed the highest in Canada.

And I want to say that throughout the history of the development of this province, we have seen in Saskatchewan the uniqueness of volunteers committing their time and effort to the building of the province and their communities. It has been mentioned that contributions were made in respect to political parties, and certainly that is true in the history of the party which I represent, its predecessor, the CCF. And I recall the tremendous contribution, Mr. Speaker, of the forefathers, indeed my own father, in the time that he spent in the development of a new political party and the development of the co-operatives in the development of the credit unions throughout this province.

I think that Saskatchewan is unique, and will, I hope, continue to have that uniqueness of its unselfish volunteer help to each other, and certainly as one looks at the history of what has been developed in this province, it is clear that that is evident in the past. Certainly when we look at the development of the health care program, the first in North America, it's a program designed where others would share in providing the health care to others who are less fortunate. I think the development of our medicare, the first in North America, is again an action of the government, but I want to say that it was initiated at the local level in the Swift Current area. I think of the co-op movement built essentially by the volunteer actions of individuals in small communities, where the standard banks and financial institutions would not meet the needs at the time.

I recall how farmers and groups banded together to form credit unions in order to help each other within that community. And certainly I think in the modern day if we look at some of the programs that we have . . . We introduced a very comprehensive program — home care — 45 boards across this province, and I want to say that these boards are volunteering their services in providing the service to fellow citizens in this province.

I want to say that that is not the same. It's the same, for instance, with our day care. We have groups coming together, forming a board, volunteers — not paid for — and building a program which will be of benefit to a large number.

Certainly this is not the case in other parts of Canada. If you look at the Extendicare in other provinces, it's on a private profit motive. If you look at day care in Ontario — run by private profit motive; not so here — non-profit, community-based volunteer boards.

And so I want to say that obviously what I am saying is that I commend all of those organizations and, certainly, they come from every walk of life and from every political party and from every religious group. There are no boundaries as to who is providing the service. I think it is throughout Saskatchewan that we have this spirit of co-

operation.

But again, when I look at this resolution ... And the reason why the member from Assiniboia-Gravelbourg has indicated and has introduced the amendment is that while we are here commending the volunteer organizations, the actions of this government seem cynical and completely contradictory to the amendment. How can you have, on one hand, commending the volunteer groups and on the other hand within a budget, the first real Tory budget, slashing the funding for all of these organizations?

For the non-government organization, the one, SANGSSA (Saskatchewan Association of Non-Government al Social Service Agencies), which was the umbrella group co-ordinating the non-government voluntary organizations, was slashed. And I want to say that, as my colleague has indicated, the boundaries of the services that we need to be providing are not necessarily limited to the boundaries of Saskatchewan. And obviously, in respect to what we could do in raising money and showing the government is also supporting the volunteer nature of it, they should have been contributing far more substantially to the international aid.

But what has happened? Again, the budget was slashed from over 2 million to 1 million. And I think that what we have here is an insincerity on the part of the members opposite — insincerity. And in fact I think that the people of Saskatchewan, who have built this province on their co-operativeness, will soon find that their efforts will be hampered by the direction of a government with a philosophy that everything should be turned over to the private sector, that initiative by people itself will not be supported.

And therefore, accordingly, while, I want to say that I support the volunteer groups, certainly I do not support the actions of the government, because I think they have been counter-productive in so far as supporting the volunteer groups.

I was rather surprised at — and I guess perhaps because of the embarrassment — the member from Lakeview. He hedged on it, and he says, 'Well, we don't want to give these groups too much money, because then we take away their spirit of involvement. They become a government agency.' Well, I want to say that every action that this government is taking is to further hamstringing the organizations and make them tote the line of the Tory party, the government opposite.

And I just say again that I congratulate all of the organizations. And I want to say that in my community, we find perhaps some of the most outstanding volunteer services of any community. I see it in the whole area of sports. I see it with the community recreational board, where groups of women alternate to provide services of preparing meals and banquets on their own time. Men also are there, Madam Minister. And I would hate to see this lost.

But there has to be a reason why Saskatchewan has this high percentage of volunteer in its society. And I want to say that part of it was because of the type and nature of the government during the development of this province, certainly during the years '44 to '64, and subsequently, from '71 to '82. Because when we had set up day care, we didn't privatize it for someone to make money. We asked the people in the communities, 'Here is seed money in order to organize your day care.'

When we organized in home care boards, we didn't pay a staff. We'd set up an organization of volunteer boards. And all the way through the development of this province, the previous government worked with these organizations, encouraged

them, and built on this volunteer nature.

And I want to say that this is not the case, as I mentioned before. Go to Alberta or go to Tory Ontario and you'll find privatized nursing homes for the elderly, privatized day care. I don't even think they even though of home care yet.

But what I want to say is this, Madam Minister: that in your last budget, I think that if you speak on this motion, that you have a lot of nerve, because by the lack of funding to those basic structures, you have tried to, in fact, uproot the very nature of that voluntary set-up that we have within our society. I think that the people of this province will accordingly judge, in a not too distant future, and will again return to putting into place a government which honours and respects the volunteer nature of our citizens.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Surely, I must say I agreed with one statement from the member from Lakeview. He said, 'He who pays the piper calls the tune.' That's what we have been saying consistently in respect to the party opposite. Who, in fact, finances it? It's the banks and insurance companies and CPR and Bay Street.

So, what I am saying here: there is no inconsistency of government providing funds to these volunteer organization because certainly what we did in setting up our programs, and I use home care as an example . . . It went back to the local communities; they drafted out the by-laws in establishing the program. That is fact — they did. That's why it took some time. They decided what type of program was necessary in their community, and accordingly came forward with the nature of the program that was best suited for that area.

So, I want to say in closing then, that again I agree and whole-heartedly support the volunteer organization in this province. But I want to say that I am very disappointed in the actions of this government in reducing funding to so many non-government organizations and to international aid that it really discourages the volunteer nature of those organization and the need for them to continue. Therefore I'll be supporting the amendment.

Some Hon. Members: — Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, there was a lot of meat other than what the motion was, in the last presentation, and I certainly wouldn't refer to it as filet mignon perhaps more like turkey or chicken, but nevertheless, there was a great deal there.

I want to congratulate the member of Rosemont for bringing the resolution to this Assembly. Now I recognize that it's nothing earth-shattering and that it's nothing to do with the economy per se, or the unemployment problem. And, it probably won't make the news or the media, but perhaps what is important with the resolution is the acknowledgement and the thank-you to the volunteers who initiate the social fabric of Saskatchewan.

Between my good colleague, the Minister of Health, and myself, Mr. Speaker, we have the opportunity to work with a majority of volunteer organizations within the government sector. Perhaps that is where we have seen, in the last year most of the frustrations, in dealing with those particular volunteers through their boards.

The member from Quill Lakes has continually referred to home care. I'm going to refer to nursing home boards at this particular time, because that's where the greatest degree of frustration has shown — with those volunteers. And it has to do with the rule that they were under for 11 years as to the rules and the regulations and the government control that took place, to the point where . . . if I look at my calendar today at all the meetings I've had with boards over the last year that have come in to my office, operating under an NDP policy, the rules and the regulations, and have simply said, 'Madam Minister, if this doesn't change with this government, different from the old government, we will resign.' It's as clear as that; that's how great the frustrations were with the government control and the interventions that continually and very quickly — some would say slowly took place, others would say quickly, and I agree that it was quickly. The amount of government intervention came to the point where they no longer had control over their volunteer aspect to their community.

The member from Quill Lakes will not support the resolution. He says it shows a great deal of cynicism on this part of the government, particularly to do with the NGO sector. Mr. Speaker, just briefly on that point I would suggest to the member from Quill Lakes that he perhaps sit down and do his homework very thoroughly. He used the word 'all,' 'all NGOs,' and I would, at this time ask the member from Quill Lakes, when he includes 'all NGOs' and that we are cynical, is he for a minute suggesting we don't fund services for the mentally handicapped that are operated by local boards, and volunteers? How about he transition houses — a 7 per cent increase? You don't want the money to go there. Where do you want it to go? Crown corporations? Advertisement?

Let's look at the sexual assault centres and the crisis intervention — volunteers. Volunteers — a high degree of volunteers on their boards, and the operation of the delivery of that system. You don't want us to fund those; that's good. At least we know where you stand on that particular issue.

Let's look at the issues of the physical handicapped. There's a great deal of volunteers that are giving a peer service to those out there. You don't want that funded either. No, Mr. Speaker, I don't think the cynicism is with this government. I think it is with the opposition across the floor as to where that money should go.

For that reason, Mr. Speaker, I will be supporting the resolution and opposing the amendment. I think it's very clear as to why it should be opposed.

Some Hon. Members: — Hear, hear!

Amendment negatived on the following recorded division.

YEAS — 5

Engel
Koskie

Lusney
Shillington

Yew

NAYS — 34

Birkbeck	Smith (Swift Current)	Caswell
Taylor	Boutin	Young
Berntson	Weiman	Domotor
Rousseau	Sveinson	Embury
Sandberg	Petersen	Dirks
Hardy	Glauser	Myers
McLaren	Meagher	Zazelenchuk
Garner	Smith (Moose Jaw South)	Johnson
Klein	Hopfner	Dutchak
Katzman	Martens	Folk
Currie	Rybachuk	Morin
Schoenhals		

Mr. Dirks: — Thank you, Mr. Speaker. Just a few words to close debate on this very significant motion. I think it's obvious by now to the people of Saskatchewan, certainly to the people of this Assembly, that when it comes to voluntary organization, the members opposite, the members of the NDP opposition, believe that voluntary organizations cannot exist successfully unless, somehow, they are involved with attached to, funded by the government. That is not the case. I listened to the members speak on this motion. I heard them preface their remarks with two or three minutes about the fine voluntary organizations of this province, and they closed their remarks with two or three minutes of the same thing. But the great amount of their discussion talked about the government, the government, the government. Well, the point of this motion was to commend the people of Saskatchewan for their volunteerism, not to talk about the government. And that's the problem of the opposition.

Some Hon. Members: — Hear, hear!

Mr. Dirks: — This motion says that this Assembly asserts its belief that voluntary organizations are an essential ingredient of the community spirit. It does not say that this Assembly asserts its belief that government must fund voluntary organizations. It doesn't say that.

I'm not surprised, Mr. Speaker, that the opposition has said what they have said in this debate. It indicates that in fact their colours are indeed government-oriented colours, not people-oriented colours.

I'm very pleased, Mr. Speaker, that the amendment was soundly defeated, and I certainly expect that the motion will be soundly supported. Thank you.

Motion agreed to on the following recorded division.

YEAS — 40

Birkbeck	Weiman	Embury
Taylor	Sveinson	Dirks
Berntson	Petersen	Myers
Rousseau	Glauser	Zazelenchuk
Sandberg	Meagher	Johnson
Hardy	Parker	Baker

McLaren	Smith (Moose Jaw South)	Dutchak
Garner	Hopfner	Folk
Klein	Martens	Morin
Katzman	Rybachuk	Koskie
Currie	Caswell	Lusney
Schoenhals	Young	Shillington
Smith (Swift Current)	Domotor	Yew
Boutin		

NAYS — 0

Resolution No. 16 — Saskatchewan Crown Corporations

Mr. Koskie: — Mr. Speaker, in moving this motion, at the termination of my words in respect to this matter, I want to say that the impact of this resolution is to draw attention to the members opposite and to the people of Saskatchewan and to share with the people of Saskatchewan our deep concern with the present government's undermining and mismanaging of the Saskatchewan crown corporations.

I want to say, Mr. Speaker, that crown corporations have long been an integral part of the economic development and strategy of this province. Indeed, if one looks at the record of the crown corporations you will find that the benefits have certainly outweighed any of the disadvantages that may have accrued.

Certainly, I want to say that we can look at the record of the Potash Corporation of Saskatchewan as a glowing example of the success that we had in establishing that crown corporation in the development of our resources. I want to say that similarly SMDC, the Saskatchewan Mining and Development Corporation, in which we participated in the development of mines in northern Saskatchewan, was also an example of the use of crown corporations in the development of the economic strength and viability of our economy.

I think that since the government changed there is a new course of action that is evolving in respect to the crown corporations. And, certainly, I want to demonstrate that primarily in respect to the government's attitude in respect to the Potash Corporation of Saskatchewan.

The Potash Corporation of Saskatchewan has an enviable record. Since its creation just six years ago the Potash Corporation of Saskatchewan has provided more than \$400 million in profits to the people of this province, plus countless other benefits such as high-quality head office jobs in Saskatchewan, increased research and development.

And I want to say that I was rather surprised at the minister presently in charge of the potash corporation making an announcement that we're going to be providing money from the potash corporation for research. That was a big announcement he made. And I want to say that under the policy of the previous government, 1 and then 1.5 per cent of the revenues of the potash corporation was set aside for research. And I want to say that under the previous government \$500,000 went to the universities to carry on research. I want to say, as I have said, that the policy of this government was very fast

shortly after the election, and I want to indicate here the direction that the new government took in respect to the potash corporation. And this is quoting from *Green Markets*, volume 6, number 18, May 3, 1982 edition. I want to quote what is reported here:

Resource development was an issue in the campaign, and Conservative House Leader, Robert Andrew, now the finance minister, who was the party spokesman on resource issues and is a contender for a cabinet post, outlined the following areas of probable changes in PCS: one, a curtailment of market expansion; secondly, a re-examination of the schedule withdrawal of PCS from Canpotex at the end of June; a re-examination of the present high production rates; a re-examination of PCS's planned Bredenbury mine, construction on which the company has spent several million of dollars; and a curtailment of the expansion of mineral development as a solely crown corporation enterprise.

Those were the statements made by the now Minister of Finance shortly after the election, even before they had an opportunity to consult with the president of the potash corporation. Even before they consulted with the board of the potash corporation, the word came from the transition team — the following: one, the potash corporation was not going to continue the development of its international sales arm in order to increase offshore sales; and secondly, without even setting up a board or putting a minister in charge, they decided that the potash corporation was in fact not to be pulled out of Canpotex. No re-examination. Never waited. Made the decision beforehand. And I want to say that that was not in the interest of the Potash Corporation of Saskatchewan, which I am about to point out.

I want to go on and indicate . . . Very shortly after this government took office, the then minister of mineral resources, and this is in the *Chemical Week*, May 19th edition — I want to say what the minister of the then mineral resources had to say, and he went on to say:

Thatcher hints that ultimately he may want to sell companies like PCS to private industry, but labels as unfair suggestions that he would immediately make such sales.

'I tried to go in there with an open mind,' he says. 'If the corporations have a role to play, they'll be playing it,' he adds. 'But there's no question they will be taking a different direction than they have in the past.'

This was the action of this government immediately after the election. Can you feature what it did to the confidence of the management and the workers involved in those potash corporations? Before even any consultation, they make these drastic decisions: one, to destroy the company that they were setting up, the international sales arm of the potash corporation; secondly, they demanded that they stay in Canpotex, which is a privately dominated selling arm for the private potash corporations.

I want to say that they didn't stop with these statements. They went on to decimate the top management of many of the crown corporations. And I want to say, in the potash corporation, there was one of the most outstanding presidents recognized throughout the world in the potash industry, Mr. David Dombowsky, and he was axed. I want to say, . . .

An Hon. Member: — A political hack.

Mr. Koskie: — Members opposite want to say, ‘political hack.’ I want to say Mr. Dombowsky was a professional civil servant. He had worked under the previous Liberal government. He had worked under the Lloyd government. He worked under the Blakeney government and he was willing to carry on as the outstanding president. But they, of course, they had to axe. They had to, in fact, find someone who would give this new direction, not in the welfare of the Potash Corporation of Saskatchewan, but in favour of the private potash corporations of this province.

Then I want to say that they didn’t really stop there, because their attack on the crown corporations of this province was not credible for their minister to be saying it. So what they said: they would form a committee or a commission, and that was the Wolfgang commission. They sent him out to do a review of the crown corporations of this province. And I want to say, Mr. Speaker, that a Mr. D. H. Fullerton of Ottawa, a businessman, a man that has sat on boards of private industry as well as crown corporations, a gentleman that was also a member of the board of the potash corporation. He had an opportunity to read the Wolfgang Wolff report on the crown corporations. And I want the record to show what his comments were in respect to the crown corporations, as presented by Mr. Wolff.

First of all, in the report by the Wolfgang Wolff commission, there was allegations that there was political influence in respect to the operation of them. And I want to say that Mr. Fullerton, who also indicated in his article to the *Star-Phoenix*, in an open letter to the *Star-Phoenix*, that he never was a member of our party . . . And he indicates this:

The administrative apparatus places heavy emphasis on political control mechanisms at the expense of corporate autonomy.

That’s what the report said, that simply no crown corporation escapes extensive and continuous political guidance. Here is a man who has sat on private boards of large corporations, and who have sat on the Potash Corporation of Saskatchewan, and had a living experience. He says:

In so far as PCS and Saskoil is concerned, this is a totally false statement. In my over six years on the PCS board, and over two on Saskoil, I cannot recall one single political intervention by the premier, the cabinet, or members of CIC.

He went on to say, and I want just to read a part of it:

I must however report (he indicated) the various chairmen, occasionally outvoted, were meticulous about conveying the board’s views to CIC and cabinet. There was no reverse flow of instructions.

They have set up the commission which made the allegation that the crown corporations were run with political interference. And I want to say, here is an individual who has credibility across Canada, who indicates that there was no political interference.

And do you know what? The second recommendation that this famous Wolfgang Wolff commission, commissioned, in my view, to examine and to discredit the crown

corporations — his central thesis of the report is that the only real test of earnings, or return on investment, is the amount of dividends paid by the crown corporation to the province. And that, I want to say first of all, is utter nonsense — utter nonsense. Because, as Mr. Fullerton indicates, he says:

Apparently income doesn't count; retained earnings don't count; growth and assets don't count. No reference is made to the market value of the investment. The earnings retained by PCS are of no direct significance to the provincial budgetary process until it actually is paid into the province.

Mr. Fullerton, who is, as I indicated, a respectable businessman in this province, and he says, 'What a strange new approach to the accounting Mr. Wolff is introducing. The whole history of resource development in Canada is one of initially low or zero dividends with profits ploughed back into development.'

That is how the private sector operates, but the province is apparently excluded from using the approach that the private corporation use. And I want to say that releasing that Wolfgang report in the nature that it did is undermining one of the most successful crown corporations that this province has seen.

There's one other point that Mr. Fullerton raised and I want to raise, in respect to the Wolfgang Wolff report on crown corporations, and that's in respect to side benefits.

He says:

The report appears to dismiss as without merit other objectives of predecessor provincial governments in establishing crown corporations, including socially oriented mandates, such goals as creation of head offices within the province, a major government presence in the important resource industry, creation or retention of employment opportunities within the province, and reduced vulnerability to foreign control. All of those factors are completely omitted in the report by the Wolfgang commission.

So I want to say, Mr. Speaker, that all of the actions by this government has directly headed towards the undermining of the operation — the very successful operation — of the Potash Corporation of Saskatchewan.

And I want to go on and illustrate some of the areas that were further affected, and I have alluded to the Potash Corporation of Saskatchewan International. This was a subsidiary to the Potash Corporation of Saskatchewan, and it was designed to set up and to seek out offshore markets, and that was established. And I want to say that they had storage facilities over in Vancouver, the Neptune. They had set up not only looking for markets, but setting up the more efficient transportation system, and certainly they established the unit-train system far before this last budget, Mr. Minister.

And I want to say that they looked — the Potash Corporation of Saskatchewan International branch was looking at the Third World, and they were saying to the Third World that we have a large amount of potash, there is poverty in other parts of the world, that the agriculture in those countries must be built up. And existing within Canpotex they were essentially controlled in respect to what they sold that potash for, because the members in Canpotex dictated the sale policy of potash from Saskatchewan. There was no opportunity as would have been afforded under Potash International, to take a look at the offshore countries — those who are poor — and

decreasing the cost of potash to them during a period in their development stage, and establishing markets for years in the future. But no, what happened to further undermine the potash corporation? This government ruled that the Potash Corporation of Saskatchewan had to remain in Canpotex. And I want members here to know what Canpotex is. It is really a voluntary association of some seven or eight potash producers in this province.

And I want to say that Potash Corporation of Saskatchewan was in fact a member of Canpotex. The Potash Corporation of Saskatchewan produces about 45 per cent of the potash in Saskatchewan; about 40 to 45 per cent of the potash in Saskatchewan. So within Canpotex, this voluntary association, although being a 40 per cent producer, Potash Corporation of Saskatchewan had but one vote, had no way of influencing the direction and the policy in proportion to its relative strength in the market of potash.

I want to say it was a dangerous situation also — dangerous from the standpoint that it was essentially a voluntary organization, and that could have been dissolved. And some members of the private potash industry indeed had been members and had dropped out. And so I want to say that entering into the Canpotex, reinstating the PCS into Canpotex I think is a backward step. And I say this because there is supporting evidence in respect to that.

I want to say that there is a news clipping here from the *Star-Phoenix*: 'Canpotex Failed to Serve PCS Interests.' PCS didn't believe in charging India, China, Japan, and Brazil the highest prices. Rather we wanted to build up our markets by keeping prices down. We believe Canpotex squeezed hard and damage ultimate sales. Fullerton says:

Disagreements within Canpotex started as far back as 1977, but it wasn't until 1979 that it was realized that the differences were too great to bridge.

And I want to say Canpotex has been less than successful in the international market. At one time, Canpotex sold China all the potash it used. Now the share is less than three-quarters, and it appears to be dropping. Canpotex has done irreparable harm with countries like China, India, and as a result they're diversifying their markets and buying elsewhere. So basically, this is what is happening. Because of Canpotex's inflexible marketing position, it has been losing offshore sales.

The source also points out that Canada once had sales in Denmark, Italy, Ireland, Romania, Peru, Ecuador, Colombia, Cuba, Vietnam — and now we have none. PCS was even talking about helping with transportation costs in developing third world countries and possibly selling potash at slightly more than cost. Canpotex had no third world conscience. So what I want to say is that if we take a look also at the Japanese situation, the Japanese, prior to this government taking office, the Japanese studied, studied an investment in the PCS. And, they were prepared to make an investment.

A large Japanese buyer was negotiating the possible investment of millions of dollars for partial ownership and operation of a Saskatchewan potash mine last year. You know that they say now? This company, which is called Zen-noh, unhappy with the Conservative government decision, wrote Grant Devine outlining its displeasure outlining its displeasure. In fact, Muranaka said his company . . . (inaudible interjection) . . . This businessman from Japan said, and I'm going to read it out, he said his company:

now feels Saskatchewan politics are so unstable that even if PCS were to

venture out on its program again, the best it could hope for from Japan would be a variety of smaller contracts until some sort of stability returns.

That's what the Japanese are saying. PCS International, headed by Ed Price, had indeed an aggressive sales force out marketing PCS, and had negotiated —listen to this, Mr. Deputy Speaker — PCS International had, prior to this government taking over, had negotiated an agreement with Brazil, official, for the sale of 250,000 tonnes of potash over the next year. It would have involved a middleman in a barter agreement between Brazil . . . now leans heavily on keeping its balance of payment with trading companies, and Saskatchewan would have had to accept coffee and other Brazil supplies as a partial payment. At the same time, a 73,000 tonne sale had been negotiated with Indonesia. I want to say those markets were lost because of Canpotex.

The record of this government, Mr. Deputy Speaker, and it's evident, and the people of Saskatchewan are endorsing the notion and the evidence which we are bringing forward that indeed this government is out to undermine the crown corporations of this province.

. . . (inaudible interjections) . . . I want to say, Mr. Deputy Speaker, I thought I had the floor. The member from Rosemont, if he wants to speak on this motion I'm sure that he has an opportunity. I think I have the floor.

Mr. Deputy Speaker: — Could we have some order, please? Order, order! Let the member continue speaking.

Mr. Koskie: — I want to go on and indicate, Mr. Deputy Speaker, a summary of what potash corporation had developed to in this province. It was, after all, the biggest potash producer in the world. That's what we had created in Saskatchewan. No other Saskatchewan company, indeed no other Canadian company, were in the development of the potash resource in this province.

But we had built the biggest potash producer in the western world, created out of five once-private potash mines, bought by the government for \$525 million and enlarged to a value twice that size. Its 1980 income made it the 17th in Canada's top 500 companies.

And I want to say this was an outstanding investment for the people of this province to indeed control their resources and to maximize the benefits from those resources. And I want to say, Mr. Deputy Speaker, the party opposite came in with a philosophy totally strange to the operation and the place of crown corporations in the economy. This is evident if you want to listen to one of their potential federal leaders, Peter Pocklington. And what he says is that what you have to do is to wipe out the crown corporations. That's his platform.

And I want to say that the leader of the Tory party that they abused over in Winnipeg, abused him over in Winnipeg, the former leader, the former prime minister, Joe Clark — I want to say that he was elected on the premise that he was going to destroy the crown corporations and particularly Petro-Can. And I want to say what happened was that when he was defeated and went to the people of this province again, he was defeated at the polls after only nine months in office.

Certainly throughout the Tory party it is clearly evident that crown corporations have no

place in the development of this economy, and I want to say that indeed they have consistently undermined the operations of the crown corporations.

It's rather interesting also, if you look at all the crown corporations — some 24 which we had developed — in one year of operation, and I want to say that there is corporation after corporation that have in fact a deficit in their operation. These corporations have throughout their history provided substantial returns for the people of this province. And one year operation by the Tory government opposite have undermined the confidence of the operations of those crown corporations, and you can go . . . First of all they have dismantled the SaskMedia. They dismantled the fur marketing board without even waiting for the review. They have indicated that in respect to SGI . . . In respect to SGI I think that we have seen the actions of the government, the like of which we have never seen before, in attacking its own . . .

Some Hon. Members: — Hear, hear!

Mr. Koskie: — . . . in attacking a corporation which they . . . (inaudible) . . . to be running today.

I want to say that in respect to SGI they have tried to undermine it. I want to say that their report indicating a deficit is a situation which does not accurately reflect the true financial position of SGI, and I want to say that they have done everything possible to transfer the business from SGI to the private sector.

I want to continue to say that in respect to the potash corporation they have reduced the sales. The former general manager, the president of Potash International, indicated that the Potash International had the potential of 1.5 to 1.9 million tonnes if it had been allowed to operate. That was crapped, and I want to say that he minister in charge will have to answer to the people of Saskatchewan for undermining those sales and the continued success of the potash corporation.

I want to say that because of their undermining policies we saw massive lay-offs in the potash corporation — 1,200 people laid off, and they went back into Canpotex and gave up sales — sales to the offshore, sales to Japan, sales to China.

I want to say that there was a loss of jobs because of their undermining of the Potash Corporation of Saskatchewan. They have fired a number of people in the head office in Saskatoon. I want to say also they have decided that there will be no future role for the potash corporation. They have indicated that there will be no major expansion of the potash corporation. And the only reason that Lanigan expansion is going forward is that it was under way by the previous government. And I want to say that they sold out to the private industry Canpotex.

And do you know where the headquarters of Canpotex is, Mr. Deputy Speaker? I'll tell you it's not in Regina. Canpotex is not located over in Saskatoon.

An Hon. Member: — I thought it would be.

Mr. Koskie: — No, sir. Canpotex headquarters is Toronto, near Bay Street.

An Hon. Member: — I don't believe that.

Mr. Koskie: — That's right. So rather than develop the Potash Corporation

International which would have in fact been stationed here in Saskatchewan, head office in Saskatchewan, what they did is go to Bay Street, Toronto, and let the eastern Bay Street boys once again control our resources.

I want to say also that if we look at some of the other crown corporations one of the glaring facts that come forward is: first of all, if you look at Sedco (Saskatchewan Economic Development Corporation), \$9 million in the red, one year of operation under this present government. I want to say that in respect to SGI, they have ridden that company into difficult times. I want to say that in respect to the Saskatchewan Mining and Development Corporation, they are gloating over a \$5 million return. But I want to say that that return would not have been possible had it not been the vision and the economic policies of a premier, Premier Allan Blakeney. Certainly the development of our economy and the strength of our economy in the resource industry and in participating in joint ventures was a result of the policies of the New Democratic Party when in government. And I want to say that since the policies of the free enterprisers has been certainly a dismal failure.

It was rather interesting yesterday that here were two announcements by two ministers in Saskatoon. They had nothing to announce in respect to their private enterprise ventures and so what they did is to announce something in respect to the crown corporations. They did this, I would submit, Mr. Deputy Speaker, with reluctance because certainly they are totally and unequivocally opposed to the development of crown corporations and the usefulness of crown corporations in playing an active role in our economic development of this province.

I want to say, Mr. . . . (inaudible interjections) . . . The member from Rosemont again will have an opportunity . . . (inaudible interjections) . . .

Mr. Deputy Speaker: — Order, order. Let the member continue to speak.

Mr. Koskie: — He's not even in his seat, by the way. And so, obviously, what I have indicated here today is:

That this Assembly regrets the Devine government's undermining and the mismanaging of Saskatchewan's crown corporations, and the result of loss of earnings and jobs for Saskatchewan people.

I so move, seconded by my colleague from Regina Centre.

Mr. Shillington: — Thank you. Regina Centre, not Arm River, Mr. Deputy Speaker. I want to address a few comments on this. I have made these comments in a piecemeal fashion, but I want to have an opportunity to discuss the subject in broader terms.

There was some fear that this government would start to dismantle Saskatchewan's crown corporations — the very crown corporations which were instrumental in bringing to this province the prosperity and experience in the '70s; and the very prosperity which it is not achieving in the '80s. It is just as if someone hit a light switch on April 26, 1982.

This province underwent an unprecedented period of prosperity, and after April 26, 1983, the economy has just simply fallen out of bed. A good part of that is the way you people have reacted to public investment. You have treated public investment the way you might treat leprosy — something to be avoided and dreaded at all costs. And it

extends right throughout the entire gamut of crown corporations. It doesn't matter which one you're talking about, you people have done whatever you can to undermine them, to restrict them, to ensure that they play no role, or as little a role as you can, in the public affairs of this province.

You can start right at the far end of the treasury benches and go right across. I am not aware that the member from Milestone-Bengough is the minister in charge of any crown corporations. Nor am I aware that the member from Saskatoon Mayfair, I think it is, is in charge of any crown corporations. But you are. You're in charge of the liquor board. And that's a crown corporation.

And we spent well over an hour yesterday suggesting to you, Mr. Minister, that you misunderstand the function of that crown corporation, the function of the liquor licensing commission and you are blurring the two of them. Although I don't imagine you will in any sense attempt to restrict that . . . Probably the one crown corporation which will not be restricted in its operations, that's the liquor board, because you people see it as a cash cow. You people see it as a cash cow.

The member from . . . (inaudible interjections) . . . I don't recall having ever asked . . . When the NDP was in office, I don't recall having ever asked the minister in charge about the liquor board. But I'm sure if I had, I'm sure he would have responded. I simply did not ask him.

The member from Prince Albert wants my definitive comment on the American flags. Let me say that I do not believe the ministers in Manitoba in any sense initiated the burning of the flags. I also do not believe they had any opportunity to prevent it. And it is a red herring which . . . It is the equivalent of the red-baiting which your political party used to do 20 years ago. Not a word of truth to the allegations you are making. Not a word of truth to it. Not a word of truth to it.

I will not defend the burning of anyone's flag and I don't expect that any minister in Manitoba will or will ever have to.

Back to the subject.

The Assembly recessed until 7 p.m.