

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**

**June 17, 1985**

**EVENING SITTING**

**COMMITTEE OF FINANCE**

**CONSOLIDATED BUDGETARY EXPENDITURE**

**EXECUTIVE COUNCIL**

**Ordinary Expenditure — Vote 10**

**Item 1 (continued)**

**HON. MR. DEVINE:** — Mr. Chairman, I thought I might briefly respond to the Leader of the Opposition, who was in a bit of a dream world before 5 o'clock, and elaborated to the public about how nice things were in the 1970s and how he was part and parcel of all the successes of that time. I would like to point out several things briefly, Mr. Chairman. It seems to me that there are some truths and there are some facts that the Leader of the Opposition often forgets. It seems to me that there are at least four points that I could point out to the general public in Saskatchewan, and simply this: the Leader of the Opposition and the NDP failed four ways.

And he's talking about the 1970s and then he compares them to the '80s, and I'll get into that. But he failed in four ways. The first failure, obviously was a massive political failure, and that's the truth. He failed. He had the boom of the 1970s, he had all the money, he had all the economic activity, he had all this time when Alberta was building fortunes, and the truth was, in 1982, the Leader of the Opposition and the NDP failed miserably. They lost just about every seat. Another week, they would have probably lost them all. That's after all the things that he said he could do today.

But the first point is that he was rejected, pathetically rejected. Nineteen-seventies, with all that going for them and going through it, failed, and the people of Saskatchewan rejected them, rejected them all. Two, they failed economically. They failed economically. Here were the great times, the boom times of the 1970s. Everybody in North America talks about them. We look at the province of Saskatchewan, and we look at a province like Alberta, and we find \$10 billion in a Heritage Fund under the good times, under Tories in Alberta. And what was left here? There was no 10 billion in the Heritage Fund. There was no money.

They spent a fair amount of money, I will admit, buying potash mines and buying uranium mines, and buying farms and so forth, that we all know what that's worth today. But they failed economically. During some of the best times in the history of this province, they never put a thing together. In the neighbouring province . . . They say now, well for heaven's sakes, couldn't you find a little bit of money for grasshoppers? Well there's 10, 15, \$13 billion in the Heritage Fund in the province of Alberta, built up in the 1970s under the good times. What happened here? They failed. They failed miserably. What they did was that they were rejected politically, and they failed economically to put their money together.

Now let me just point out partly how they failed, partly how they failed economically. They failed because, at that particular time in 1981-82, we had people that were afraid. They were afraid. Mortgage rates — the average mortgage rate in 1982 was in the neighbourhood of 21.25 per cent; 22.75 was the prime interest rate in September of 1981; and people were afraid. Twenty-two, 21, 22 per cent here, and people were afraid.

And what did the hon. members do? They didn't do anything. The rate of inflation: the price of gasoline rose 61 per cent from 1979 to 1981 — 61 per cent. They said they were successful. Gasoline: the combination of the NDP and Mr. Trudeau raised the price of gasoline 61 per cent from 1979 to 1981. What did they do? We had a rate of inflation running way high. We had 21, 22 per cent interest rates. And what did the members opposite do? Nothing. They did nothing. And people were afraid. And they didn't do anything. They failed politically, and they failed economically.

What did the people say? The people said this, the people said, I want help to protect my homes against high interest rates. What did they give them? Nothing. They lost. If you say, I wanted help in terms of inflation; gasoline prices are going up. What did they do? Nothing. And they failed. They were booted out politically because they failed economically.

The third failure, Mr. Chairman, was philosophically they were rejected. Their solutions were rejected time and time again. The Saskatchewan family of Crown corporations was going to resolve all the problems, and it was booed on the movies and it was booed on television; it was booed all over the province. It was failed. Nationalize another company, they said; nationalize this. Let them set up in New Brunswick. Let them set up around the world because we'll nationalize them in Saskatchewan, that's what they said. And they failed.

They failed finally, Mr. Chairman, because people don't believe them. People saw the opportunity they had in the 1970s, and they were rejected. They failed. They aren't trusted. People said, here were the boom times of the 1970s, here's when we could really make it. And at the peak of that, what happened? The NDP were rejected in Saskatchewan like they've never been rejected before. They were supposed to build this big Heritage Fund and they didn't build it. In last year's estimates I went through it with the former premier, the Leader of the Opposition, and I went through up to \$100 million that he had taken out of Sask Power, and we still don't know where it went. Year after year after year, 10 million, 20 million, 5 million into something — buying farms or buying mines. Where is it? It was gone. It was gone.

If we buy, if we build a power project in the province of Saskatchewan, we know where the money goes. It goes into power. Under the previous administration, there were no balances. There were no balances. If you took \$100 million and put it at the bank over the 10 years you were in, that would be \$200-and-some million in the Heritage Fund. But you didn't do that. Where is the money? People have asked, where is the money? Where did you put it? What did you do with it? Well, Mr. Speaker, they are afraid . . .

Listen to them, Mr. Chairman. They're afraid to compare the 1970s here and the 1970s in the neighbouring province. Well, you failed because the NDP, Trudeau alliance failed. People rejected Mr. Trudeau, and they rejected the NDP for the same reasons. During the 1970s when we had the really good time, everything was going to be rosy, what did they do? They didn't put a single, solitary Heritage Fund together that would amount to anything compared to the alternative in Alberta under a Tory administration. And they had the same times, the same oil prices. Here we had potash prices that were high, and they failed. People rejected it. And now he said, well just trust me now. Let me back in, they say, and we'll make it all good. They'll say, well for heaven's sakes.

Let's compare the '70s to the '70s, Mr. Chairman. Let's compare the '70s to the '70s; let's compare the '80s to the '80s. The Leader of the Opposition has a lot of fun saying, well it was really nice in the '70s compared to what it is today. Let's compare NDP versus Tory in the '70s. Let's compare NDP versus Tory in the '80s. It's reasonable.

In the 1970s in this province under NDP, they didn't put it together, Mr. Speaker. They didn't make it happen. In the 1970s in Alberta, under a Tory administration, they built a huge Heritage Fund.

In 1980s. in the early 1980s, what happened? Two things. Mr. Trudeau lost and the NDP lost. Did the Premier of Alberta lose? No. the Premier of Alberta, who had the same circumstances during the 1970s, he won. He went right on through, and he watched it grow and build. But not here, and not in Ottawa. The NDP, Trudeau combination — that old boys' club that had brought this country to its knees — was rejected, and it was rejected for good reason.

Well, Mr. Chairman, the alliance failed and people don't trust it. They don't trust it. If you look at the repeal of what the Trudeau, NDP combination did to the province of Saskatchewan and to

Canada, it fails.

Let me give you some examples: what was the employment rate in Saskatchewan, 1975? The employment rate in Saskatchewan in 1975 was 2.6 per cent in April; 2.9 per cent average — 1975. What was it in 1982 when we took over? — 6.3 per cent; and on average 1982, 6.2 per cent. Well, isn't it something? I mean, the Leader of the Opposition likes to quote the '70s and how we did really well. Well it was 2.6 per cent in 1975, and unemployment increased 142 per cent to 6.3 per cent on the month that you lost — 150 per cent increase in unemployment, in the good times. From 1982 to date, it's a 38 per cent increase. And you go on and on and on and say, for heaven's sakes, isn't it terrible that unemployment increased so much? Well, in the good times of the 1970s, with oil prices and potash prices and all that revenue, unemployment increased 140 per cent in the province of Saskatchewan.

**MR. CHAIRMAN:** — Order, order.

**HON. MR. DEVINE:** — 1982 versus 1985, Mr. Chairman, if you want to compare our province to any other province across Canada. I would invite the Leader of the Opposition or the public to look at it. Our record stands for itself. We have record employment. Unemployment statistics here beat everybody else across the country. Saskatoon and Regina are the leading cities in western Canada in new job creation. 1982, '83, and '84, compared to Alberta, compared to Manitoba, compared to other provinces, unemployment is the lowest in the province of Saskatchewan — number one.

Now you take the 1970s. The NDP weren't the lowest. In the 1980s, the Tories are the lowest in the province of Saskatchewan, and in the 1970s when there was a chance to build, there was no building here. It was called "buy back Saskatchewan." It's funny they didn't buy the water, and the trees, and the rest of it. Well it was rejected.

When we put together, Mr. Chairman, when we put together the programs that have helped farmers . . . Let me go back to them. The key element is this: at the peak of 1982, when farmers were facing interest rates of 22 per cent . . . They don't want to listen to this but I would invite them to listen to this.

In 1982 when interest rates were 22 per cent, gasoline prices had gone 61 per cent increase, there was no help. People were afraid. They were losing their homes. They were going to lose their farm. Farmers were concerned. Inflation was running rampant and there was no protection from the NDP government for any of these people — 22 per cent interest rates and no help. Farmers were worried, and no help. We had inflation running rampant and no help in terms of tax reductions. People had seen their taxes go from 36 per cent to 51 per cent.

Mr. Chairman, if we look at 1982 when people were afraid, what happened? They said, protect my mortgage, reduce the taxes; take the tax off gasoline and give us a break. And if we look at 1982 we will find that people overwhelmingly voted in support of protection for small farms, small-business, families, all those things. They rejected the NDP because they didn't get any help. Where was the help? None. That's why they're sitting there. No help at all.

They didn't help people when they needed it. What did they do? They would help Crown corporations; they'd buy another one. They'd take money out of Sask Power and keep pumping it into buying farms. Now they say, well we've changed our mind. They won't do that any more; that's what they tell us.

Well, we wouldn't do that any more. Or we'll close down the uranium mines — that's what we'll do now. We made a big mistake; we took hundreds of millions of dollars, built those things, and now we close them down — put 10,000 people out of work. They say, we'll trust us now — trust us. That's what they say: trust us, we'll help you now. They didn't help in '82. They didn't help in '81. They haven't helped in the 1970s to build a protective mechanism to help people.

Mr. Chairman, if we look . . . and you want to compare the '70s to the '70s. let's compare apples to apples. If you want to look at the '80s to the '80s, we can compare the province of Saskatchewan to any other province in this country.

If you want to look at the 1970s. let's compare the province of Saskatchewan to others. For example: 1979-81 real growth, real growth in the province of Saskatchewan was 5.6 per cent. That was 32.1 per cent below the Canadian average, during the boom times.

(1915)

Nineteen eighty-two to 1984, real growth in Saskatchewan, 4.6 per cent which is 75 per cent above the Canadian average.

Mr. Chairman, the NDP don't like to talk about the fact that you could have high interest rates, because they didn't deal with it. They don't mention the fact that there might have been a drought, because they wouldn't deal with it.

I've already been through scores of things that we have done to help people in drought conditions, flood conditions, high interest rate problems, high gasoline tax problems.

If you want to make the comparisons, I'll compare our programs in 1980 with anybody in the country. I'll take the 1970s and you can compare them with anybody else — and the NDP failed politically and economically and philosophically.

And finally, Mr. Chairman, they failed because they didn't listen. They didn't listen to the people. They listened only to themselves, and because they didn't listen, people don't trust them; people don't trust them. They say, why would I let them have another chance at this? They don't believe it.

The combination of the Trudeau, NDP alliance over those years turned people off so bitterly that they don't want anything to do with it.

And if you go back into the 1970s, and say, give me Trudeau back, and give me that NDP, Trudeau alliance, they'll say, oh, no, no, don't do it.

They wouldn't do it in the riding of Assiniboia-Gravelbourg. They wouldn't do it in the riding of Shaunavon. They wouldn't do it in the ridings of right across this province. Because they would reject that because they don't — they didn't trust Trudeau, they didn't trust the NDP. They rejected both of them.

And, Mr. Chairman, statistically, our record — I could go on statistics, but the main statistic is this: we help people.

People in the province of Saskatchewan saw high interest rates, and we helped. They saw high gasoline prices, and we protected them. And we will continue to listen to them and protect them in this province.

**HON. MR. BLAKENEY:** — Well, Mr. Chairman, I'd like to raise a number of points, but I'd just like to ask the Premier whether he's aware of a book called *The Saskatchewan Promise* with a picture of Grant Devine in it and a picture of the hon. member for Estevan and the hon. member for Souris-Cannington . . . (inaudible interjection) . . . This is the second edition. This is the one with the flowers.

And I refer you to page 10. You said you would compare this province with other Canadian jurisdictions in the 1970s, and I give you your own figures. In gross domestic product, between

1972 and 1982; Canada, 30 per cent increase; Saskatchewan, 51 per cent increase. Non-residential investment, your figures, sir: Canada 275 per cent investment; Saskatchewan, 338 per cent. Retail sales: Canada, 186 per cent; Saskatchewan, 197 per cent. Personal disposable income: Canada, 267 per cent; Saskatchewan, 333 per cent. You're well aware of these figures and in every single one of those indicators Saskatchewan was well above the Canadian average.

And you put this out in order to attract people to Saskatchewan, and entirely proper that you should say that a . . . how well the Saskatchewan economy was performing in the years between 1972 and 1982, the years dealt with in your brochure. And there is no question that the figures you give are very interesting figures. And we are grateful to have these accurate facts put forward by the government which is wishing to give them to people who are interested in coming into Saskatchewan. And I ask all hon. members to have a look at them. They will find them very interesting and find that Saskatchewan was well above the Canadian average.

In some areas we obviously weren't up to Alberta . . . (inaudible interjection) . . . That's right. In many areas we did exceedingly well compared with any province.

But I wanted to touch on another thing, another area of activity of your government. And I want to deal with its fiscal prudence, talk a little bit about whether or not you're managing to balance your books.

Mr. Premier, you will be well aware that, when you were not in public life, you said that deficits are deferred taxes. You have a doctorate in economics. You've said that and I think you're right. And deficits are deferred taxes. Deficits have many, many other deleterious effects, bad effects on our economy. And I don't think I need to remind the Premier about that.

And I would just like to remind him of the comments . . . These happen to be the comments of Mr. Bill McKnight, the MP. And he was dealing with the arguments. This was when he was . . . I was wanting to point out, Mr. Premier, that Mr. Bill McKnight, turning to the federal scene, says, putting money into your economy through the deficit sure hasn't created jobs over the last five years.

It's an interesting comment from him. Because I don't know why Mr. McKnight would feel that running deficits in the province would be any more successful than running deficits federally, when it comes to job creation. Certainly we have been at one and the same time running the largest deficits in the history of the province, and having the highest unemployment rate, at least since the '30s or '40s. This bodes ill for your financial program of running deficits in order to create jobs. We've certainly got the deficits, but we don't seem to have any of the jobs.

You're probably aware of the then deputy minister of Finance and the still deputy minister of Finance, Mr. Michael Costello, saying that interest on the province's \$300 million yearly deficit costs a dollar for every \$33 raised, and he says it's going up rapidly; and he says that on the federal scene, it will soon be true, before this decade is out, that more than half of every new dollar raised in taxation will go towards interest charges.

Now that's what's in store for us federally, and it's rapidly becoming in store for us provincially. The amount of money which is in this budget to deal with interest charges is perhaps seven times what it was three or four years ago, and that is seeing us move down the road that the federal government moved, and which you criticized, and which we criticized, and which all Canadians are now having to deal with.

Mr. Brian Mulroney — and I have a quote here — says, "A higher deficit will lead to higher interest rates and slow down the economic recovery." So says Brian Mulroney, and I rather think he's right over any long period of time. And I think that all governments in Canada must ask themselves whether they are part of the solution or part of the problem; whether they are doing

something to deal with their own deficits; whether they're going up or they're going down; because just as surely as all deficits in Canada go up, so will interest rates go up, or so our economist friends tell us, if they may know why interest rates go up.

They use various arguments from time to time, but certainly on a North American basis no one can deny that if our budget deficits increase, so indeed will interest rates increase. And that I believe to be true on a Canadian basis, and I believe that every provincial government which contributes to accumulated deficits which have to be refinanced, have to be rolled over, contribute to increasing interest rates. And governments should know that. And the public should know that, that when governments run deficits, it not only increases taxes, it increases interest rates for every farmer, or ever small-business man, or every home owner who has to borrow money to operate his farm or his business, or to get a mortgage on his home.

No one is suggesting that the Government of Saskatchewan is the only government which is contributing to this problem. But in the same way, it's not good enough for any government in Canada to say, it's those other people who are doing it. Then they become part of the problem.

And I think we know that Saskatchewan didn't used to be part of the problem, and we're now part of the problem. We're now one of the governments that's rolling up the big deficits, one of the governments which is out there borrowing money at very much larger quantities and now with higher interest rates than was previously the case.

But I was interesting in noting that the Saskatchewan Chamber of Commerce takes the view that what they believe is needed is an increase in consumer confidence and that more deficits are not what is required. The Premier will be familiar with the many, many articles, statements, that I could quote, many from Mr. Mulroney. He is saying that deficits have to be dealt with.

Your Minister of Finance said last year:

A policy on deficit reduction was clearly made in the budget speech. We indicated that our budget reduction this year would be 20 per cent, and that we will reduce the deficit at least 20 per cent in each of the next years, at least by that amount. I have stated a policy of our government which we took over all across this country.

Now that's what the Minister of Finance said. Mr. Premier, when you were in this House last year and we asked you about deficits, you went on to say this. You talked about improving revenue associated with the sales of resources, and that would make it easier to arrive at a balanced budget. And then you said this:

We have begun a very strong program of moving towards a balanced budget and in fact cut the expenditures this year over last year by something like 20 per cent.

That's what you told us last year, Mr. Premier. "We have begun a very strong program of moving towards a balanced budget." That's what you told us in 1984.

Members opposite are calling for the question. I will ask the question: did you start a very strong program of moving towards a balanced budget, and will you give a progress report on how far you have achieved — moved towards this balanced budget that you speak of?

**HON. MR. DEVINE:** — Mr. Chairman, I would be only too glad to respond to the hon. member. There's a significant difference in the attitude of the former government, the NDP, the opposition today, and this government.

When in 1984 people in this province experience a drought, this government listens and helps.

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

**HON. MR. DEVINE:** — And it helps people who are in trouble. I can think of farmers across southern Saskatchewan that were suffering in 1984 because of dry weather conditions, and they said, provide some help to us and our families and our communities when we need it because of drought.

Now, Mr. Chairman, I'm sure there isn't a politician in this place that campaigned on a drought. But droughts happen from time to time. Droughts happen, and when droughts happen you have to help the farmers. And I went through earlier today, and I will read it again for the hon. member if he wants to know, the millions and millions of dollars we took out of our treasury to help farmers in a time of need. Now you don't agree with that, obviously, because you said you would balance the budget during a time of drought.

(1930)

Well I asked the people of Saskatchewan: is that the time to balance a budget, during a time of drought? And they said, no. They said, help me; help my farm.

. . . (inaudible interjection) . . . The hon. members ask, what about 1982 when we came in. Interest rates were 22.5 per cent, and they wanted help. I don't think the member from Quill Lakes understands that if you're going to protect somebody's mortgage at 13.25 when interest rates are 22 per cent, it's going to take some money. It's going to take some money to protect their homes. And in 1982 and in 1983 and in 1984, right through until 1988, we said that we would put our province up to protect home owners and protect farmers, not just to protect the bureaucracy. And that's the big difference; that's the whole difference.

The opposition would not help. And they said, well they will have a balanced budget during a drought. They have to, because they said they would balance it in '84. And they'd balance it in 1982 at 22 per cent interest rates. And when inflation is running 10, 12, 15 per cent, would there be any relief in taxes? No. They increased gasoline prices, saw them rise here 60 per cent.

What did we do? We listened to the people. We listened to the people. We beat the NDP badly because they would not listen. If you look at the province of Saskatchewan in terms of protection and help, we said it is obviously better to have a balanced budget over time than to have any deficit. But during a difficult period when interest rates were 22 per cent . . . When we look at interest rates at 22 per cent, we say we have to help people and farmers. When gasoline prices are going up 61 per cent in two or three years, we said we will help.

Mr. Chairman, we started a program of recovery in the province of Saskatchewan to help people in this province. And in 1984 the Leader of the Opposition must not have even heard there was a drought. He says he wouldn't have provided any help. He would have balanced it. Well there was no money; the cupboard was bare. We went into a period of 22 per cent interest rates, high inflation, high gasoline prices, and a drought. And the opposition says, well, we'd balance the budget.

I asked the question: when and who do you take the money from during a drought? Who do you take the money from at 22 per cent interest rates? Who do you take money from at 22 per cent interest rates? How do you help people with inflation? How are you going to increase your taxes? Well I suppose they'd say, well, we could take the money from potash. I doubt it. Potash prices are down 25 to \$50 a tonne. They said, why don't we take the money from the oil patch? Well, obviously, under the NDP there is no oil patch, so there's nobody to take the money from.

Where would they take it from? The uranium industry? No, they couldn't do that because they're going to close all the mines. Would they take it from the pulp business? No, there's no money in pulp.

All right, then, they'd have to take it from income tax and gas tax. Well we know that they'd put the gas tax back on. It's \$150 million a year. And obviously, they took income tax from 36 per cent to 51 per cent, so they would raise income tax again. During a time of international recession, they would raise income tax. They would take the gasoline tax and put it back on. They wouldn't help the farmers. They wouldn't protect the home owners. They didn't protect the home owners; they didn't help the farmers; and now they'd say, well, where will I get my money for my taxes?

Well, Mr. Chairman, let me say that when the province of Saskatchewan had a chance to build a huge Heritage Fund, the NDP failed. They failed miserably. The neighbouring province put \$10 billion in the Heritage Fund. Saskatchewan had the same opportunities and the NDP failed, and they said they broke even. Didn't we do great? That's what they said.

And then, in the 1980s, the 1980s when we had 22 per cent interest rates and people in trouble, they said, well there's no money to help. They didn't have any money to help. So they were rejected.

And now they say well, if you'd just let us back in, we'd balance the budget. That's what they said. They'd go in there and balance the budget.

On whose back? You ask the farmers if it's a time to raise taxes now to balance the budget in terms of drought; when you have a drought, you ask them . . . (inaudible interjection) . . . If you would like me to go through the money we've spent in agriculture, I would be glad to. I'll be glad to go through it all again. I'll go through the money that we spent on agriculture, and compare it to any program you've had.

During a time of drought, during a time of economic problems, we provided \$35 million a year to farmers, just in terms of their gas tax removal. Mr. Chairman, they ask, Mr. Chairman . . .

**MR. CHAIRMAN:** — Order, order! The member from Assiniboia-Gravelbourg must get to his feet to call a point of order. I have to either call you to order, or I can't recognize you unless you rise.

**HON. MR. DEVINE:** — Mr. Chairman, the Leader of the Opposition asks why we didn't balance the budget in 1984. That was the question. Why didn't we balance the budget in 1984?

Well, Mr. Chairman, the question was very, very simple. We said we started a program of balancing a budget in 1984, and he forgot there was a drought. All right. When there's a drought, there's a problem. And we've put a lot of money into agriculture. Three hundred million dollars has gone into agriculture: in this last year, the combination of us, \$160 million, and the federal government, \$160 million. When you look at that, it's something like \$5,000 per farmer. That costs money.

Now you don't go into agriculture, at least from where I'm from, and say, during a drought I'm going to balance the budget. It's not their fault that potash prices dropped 25 or \$50 a tonne. It's not their fault that the federal government pulls another 100-and-some million dollars out of income tax. It's not their fault that interest rates are 22 per cent.

They said, help us when we need help — and that's what we've done. We did it in '82, in '83, and '84. And on top of that, Mr. Chairman, across the country we have the best unemployment record in '82, in '83, in '84. If you want to compare apples with apples, and oranges with oranges, again go back and look at your record versus other provinces in the 1980s, '70s, and look at ours in the 1980s, and I will be glad to.

When people are in trouble — real people, not the Saskatchewan family of Crown corporations and big corporations and government corporations and government bureaucracies, but real



families — when real farm families, home owners, want help, we'll provide help. And we're not going to balance the budget on the backs of people in trouble.

**HON. MR. BLAKENEY:** — Mr. Chairman, the question was relatively simple. What progress has he made towards balancing the budget? And I take it the answer is: none at all. And fair enough, fair enough.

He indicated this on May 30th, 1984 — May 30th, 1984. And virtually every one of those expenditures to be made by the provincial government were known and budgeted for when he made this statement. These are not new and different expenditures. You knew on May 30th, 1984, you'd taken off the gas tax. You knew on May 30th, 1984, that you were going to get natural gas to farms, and all the rest of it. So the list you read has nothing to do with your not being able to honour what you said on May 30th, 1984. You knew all that.

There may well be some drought assistance, but not \$140 million worth, which is what you were out — a little more than that; you were out close to \$200 million. You said you were going to reduce the deficit from 260 to 210, and it came in at 400.

And doubtless you will have an explanation. But the facts are that somebody's going to have to pay the 400 million. And that's you and me and all of those people out there, those real people you're talking about. And those real people, those real people are going to have to pay all the taxes, the deferred taxes that you spoke of. And those are the hard facts.

The hard facts are that those deficits are rolling up to sums which we couldn't even have dreamed of in this province short years ago, and they're going to have to be paid for by the same ordinary people, same regular people you were referring to. And we're seeing it this year. We're seeing it with the withdrawal of the property improvement grants and the home quarter rebates; and we're seeing it with the increase in income taxes. And this is the first wave of increases in taxes. And even with a substantial increase in tax, we're still not even approaching getting our finances in order.

**MR. CHAIRMAN:** — Order, order. I'll ask the government members to come to order. They can all get into the debate by the rules.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I see the Minister of Tourism and Small Business is here. And my question is relatively simple, and it concerns Mr. Doug Price.

The minister has . . . You will know Mr. Doug Price is the president of Sedco, and it was earlier announced that he was proposing to buy shares in a major realty company.

Sedco, as you know, owns perhaps \$50 million worth of real property, much of which it is attempting to sell. The minister in charge has indicated on several occasions that he authorized the president to make this purchase and that he did it within the guidelines which prevail in Sedco.

We have asked on several occasions for the minister to let us have a copy of the guide-lines. He's indicated that he would, in this House and in the committee, but we have not yet had the good fortune to get it from him.

And my short question to you is: can you persuade the minister to make available to us the conflict of interest guide-lines that operate in Sedco, which, as we understand it, guided him in giving his blessing to Mr. Price buying shares in this realty company?

**HON. MR. DEVINE:** — I'll discuss it with the minister.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, do you . . . Are you aware of any

guide-lines that operate with respect to the presidents or chief executive officers of Crown corporations with respect to their involvement in other business enterprises?

Do you have some guide-lines, or does each corporation have its own?

**HON. MR. DEVINE:** — Well, Mr. Chairman, I'm not aware of specific guide-lines, but I expect that there are guide-lines. There may be some that differ from corporation to corporation, but I suspect there are some at least general guide-lines.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, it is a couple of years now since we used to talk about guide-lines dealing with all senior officers of the government — deputy ministers, and presidents of Crown corporations, and otherwise. At that time you indicated that they'd be along in a few months, and it's at least two years since you indicated that to us.

Can you tell us whether there are guide-lines in place governing deputy ministers and other senior executive officers of your government — guide-lines dealing with conflict of interest?

**HON. MR. DEVINE:** — Yes, Mr. Chairman, there are guide-lines.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, could you make available to the committee the guide-lines which operate? And would you advise whether they are in regulation form, or in what form they are. Do they have any binding force, or are they simply, as the name might suggest, guide-lines?

(1945)

**HON. MR. DEVINE:** — Yes, I don't have them with me, but we will bring them forward. Some of them are in Acts, I understand — apply to minister, the deputy ministers perhaps as well. The regulations with respect to Sedco, I believe that . . . or the guide-lines, we can provide those as well.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier. Obviously the conflicts of interest guide-lines governing members of the legislature are in an Act, and to a less clear extent, regulations governing deputies and that sort of thing are covered by The Public Service Act. I was particularly interesting myself in chairmen, or chief executive officers of boards, commissions, and corporations. And I want . . . I'm glad to hear that we may get the Sedco guide-lines.

**AN HON. MEMBER:** — He didn't say when. We might have to wait another two years.

**HON. MR. BLAKENEY:** — That's right, judging from the lack of alacrity with which the minister concerned has been able to find them, or deliver them, and also considering the fact that he indicated to the House on several occasions that he made his decision with the guide-lines in view, I presume that he had them available and at hand. But yet he hasn't managed to get them over here for two or three weeks, or perhaps four.

I now turn to another of your senior people, one Peter Grady. And as you know, Mr. Premier, Peter Grady was hired in the fall of 1982, as deputy minister of labour, by your government. After Mr. King's five-year term as chairman of the workers' compensation board expired in May of 1984, Mr. Grady was appointed in the summer of 1984 as the new chairperson of the workers' compensation board. The Minister of Labour has acknowledged that he asked for Mr. Grady's resignation early in 1985. He has refused to answer any other questions. I think that's fair. You have heard the minister in the House, and I think that it's fair to say that he has indicated that Grady resigned. I think he has said the resignation was asked for. He has declined to say whether there was any severance pay, and he has declined to indicate the reasons for Mr. Grady's departure.

Mr. Premier, you signed the order appointing Mr. Grady as the chairman of the workers' compensation board; you fixed his salary at just about \$69,000 a year. Did you have any reason to believe that Mr. Grady was not a good employee and a competent person to fill the position of chairperson of the workers' compensation board?

**HON. MR. DEVINE:** — Two observations, Mr. Chairman. One is, when the government hired Mr. Grady, there was no . . . At least I didn't have any information to think that he wouldn't do a very good job. And secondly, any further comment: the minister has refused to comment because of an investigation that's going on, and I won't add to it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, will you advise whether or not Mr. Grady, when he left the employ of the government, received any severance pay, anything other than perhaps unused holidays, any significant payment by way of severance.

**HON. MR. DEVINE:** — Well I won't advise whether he did or didn't. I believe the minister said that he would advise me and the House when the investigation was finished. And so he hasn't given the House any; so I'll wait for him to provide me the facts.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I'm not asking about whether or not Mr. Grady is under investigation. I'm not asking about whether or not the results of that investigation are available. I'm asking about severance. And that doesn't need to be investigated, surely. I wouldn't have thought that even your government would need to investigate whether or not they had paid severance to somebody. And my short and simple question is: was any severance payment made to Mr. Grady?

**HON. MR. DEVINE:** — Well Mr. Chairman, my short and simple answer is that I'll advise the Leader of the Opposition when all the information is given to me. And I'm not going to comment on it any further until it is.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, are you able to say whether the workers' compensation board employed counsel to deal with that, and are you able to say whether that counsel was Mr. Ron Barclay?

**AN HON. MEMBER:** — Good counsel.

**HON. MR. BLAKENEY:** — And as members have suggested, he's good counsel, but he has gained a certain expertise in particular areas of law lately. And what I am really asking you is whether you can confirm that Mr. Barclay has been engaged either by the minister, or by the Government of Saskatchewan, or by the workers' compensation board, to deal with the matter of the termination of Mr. Grady's employment.

**HON. MR. DEVINE:** — Mr. Chairman, Mr. Barclay has been employed as legal counsel for the government on several issues, and I understand that he's been involved in this one as well.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, my question now is a fairly narrow one. And this has to do with whether or not you were advised that concerns were held with respect to Mr. Grady's service — I will put it in those terms — and whether or not it was you who said: investigate this matter, or whether you were advised that concerns were held and that someone else had instigated an investigation. Was it at your instance that the investigation of Mr. Grady is going forward on the say-so of the minister, or was it at the minister's or the board's?

**HON. MR. DEVINE:** — Mr. Chairman, I didn't initiate an investigation. I am advised that certain information was brought to the department; the department went to the appropriate people, the RCMP, and asked them to review it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, you will be aware that the former MLA for Regina North East, Mr. Sutor, did about \$350,000 worth of business for the government in 21 months through his travel agency. Mr. Premier, I would like you to explain the process by which this business was awarded to Mr. Sutor's company.

**HON. MR. DEVINE:** — Mr. Chairman, the travel is allocated by Crown corporations to various firms. I believe that the hon. member has had a chance to talk about, or ask, or question each of the cabinet ministers with respect to the Crown corporations they're responsible for. They will go to various travel agencies and they will allocate them out in terms of travel.

If you take, in this case, \$350,000 over 20-some months, and there's a 5 or 6 per cent that will go to the particular travel agency, it's obviously not very much money. But in any event, they're allocated out by the ministers dealing with the Crown corporations and they say, spread it around, and that's what happens.

**HON. MR. BLAKENEY:** — So in the course of spreading it around, 350,000 found its way to the firm of the former MLA for Regina North — 350,000 gross business, gross business . . .

**AN HON. MEMBER:** — North East.

**HON. MR. BLAKENEY:** — Oh, sorry, North East. The former member for Regina North is not yet former, but that will soon be true.

I think what we need to know, Mr. Premier, is whether everybody had, all the travel agents in town had a crack at that and everybody got a piece of it, or whether there were some who were excluded and some who were included rather more lavishly than others.

And it is obviously not possible to get that information from any one agency except the Executive Council, since no one else will know all of the travel used by the Government of Saskatchewan, and no one else will know how much has been allocated to various travel agencies.

And I ask you this short question: does anybody in Executive Council know to whom business is allocated with respect to travel agencies? Does anybody in Executive Council know what agencies get what business and what agencies don't get business?

**HON. MR. DEVINE:** — Mr. Chairman, the Executive Council does not run the Crown corporations. And the Crown corporations and their ministers and their board of directors obviously have travel arrangements whether it's Sask Power or Sask Tel or Saskoil, and they use various agencies. And they provide an opportunity to agencies to book the travel, and that's the way it happens.

But they don't report to Executive Council and say, well can I use this travel agency or can I use that one, or how much or anything else. I mean, they carry on their business and they spread it across the community in terms of Regina agencies, Saskatoon agencies, and other people, as we would expect them to do.

**HON. MR. BLAKENEY:** — So Mr. Chairman, and Mr. Premier, so far as you're aware then, the business could be going to any agency and you wouldn't know and none of your staff would know about it. And therefore you are not in a position to say whether some other MLA or somebody close to your party has got a good deal of business allocated to him. You simply don't have that information in Executive Council.

**HON. MR. DEVINE:** — Mr. Chairman, I said that I don't know, and I keep track of which Crown corporations are allocating their air fare or their travel business to whatever Crown corporations. That isn't to say that cabinet ministers wouldn't know or a member of my staff

might know from time to time, and say: I've heard this and I've heard that and so forth. But I don't keep track of it. And I don't want to keep track of it. I mean, I would say distribute it fairly; get it out there. Government corporations can do business with a lot of people, and they do and I recommend them.

(2000)

**HON. MR. BLAKENEY:** — Mr. Chairman, what you say with respect to travel agency business is not true with respect to advertising. Is it? You do know who gets the advertising business, from not only the government, from the crown corporations.

**HON. MR. DEVINE:** — Mr. Chairman, we use Dome as the agency of record.

**HON. MR. BLAKENEY:** — Mr. Chairman, Mr. Minister, did you tell us this afternoon that Mr. Don Rennie of your staff handles the purchasing and placement of paid advertising for both departments and Crown corporations, and therefore, you will know how much is purchased and how much is place by all agencies of the government?

**HON. MR. DEVINE:** — Mr. Chairman, we have one agency of record for placement in the government, for departments and crowns, and that's Dome. And then it in turn deals with five agencies, at least, throughout the province. So we are aware that the agency of record for departments and crowns does the placement, and from there it spreads out over the province.

**HON. MR. BLAKENEY:** — Mr. Premier, you don't have any such similar arrangement with respect to travel agencies. Is that accurate?

**HON. MR. DEVINE:** — That is accurate.

**HON. MR. BLAKENEY:** — Mr. Premier, do you have any such similar arrangement with respect to other goods and services which were acquired not by tender? And I am thinking primarily of professional and quasi-professional services. I ask you whether the Executive Council or the minister of Justice is aware of what legal firms are used, or whether the Executive Council or the Minister of Justice is aware, or the Minister of Finance aware of what chartered accountants' firms are used.

**HON. MR. DEVINE:** — Mr. Chairman, I suppose the simple answer is a yes; the Justice department knows which firms that they use for various legal advice, as do the financial people when they go to accountants, or other people, or other departments when they go to other experts, whether they be in health or in education or what not. But as far as informing Executive Council, or a set of guide-lines with respect to Executive Council, I mean, Justice uses who they think they should use; Agriculture uses who they think they should use, and various other departments do the same.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier. I'm not sure whether I made my question clear. With respect to legal work, what I'm asking is whether any central registry, in effect, is maintained, as to who is getting the work, wither by Executive Council, or — I use in the instance of legal work — by the Minister of Justice. Is there any agency in your government which monitors the allocation of legal work? Is there any agency in your government which monitors the allocation of work to chartered accountants?

**HON. MR. DEVINE:** — Mr. Chairman, I don't have a central registry of accounting firms or law firms that are used. Certainly, departments will have a list of firms that they use and they would recommend that are good for various reasons — or accounting firms, or so forth. There are approved professionals throughout various professions, and they have a good, solid reputation, and departments and Crown corporations are most of them, as far as I know. There may be a

few . . . I mean, we go back and we look at our agency of record as Dome Advertising, and I believe also use Brown & Associates, marketing Den, Smail Communications, Roberts & Poole. I believe your administration used Dunsky, Struthers, and Westcom. You might not have used them all. We don't use them all, but use some.

And I suppose the same would apply with respect to looking at accounting firms. We try to use local firms, and to make as much use of local professional talent as we can.

All the offices we have and the companies that we deal with are in Saskatchewan. I believe you'll know that the firm that you used is out of Montreal — Dunsky; and Westcom's head office is in Winnipeg.

We've modified that somewhat so that we could make sure that local people, Saskatchewan firms, get, I suppose, the right of first refusal, or at least the opportunity to do some of the work. I . . . well, let it go at that.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, what I was asking about was lawyers and accountants, and I'll renew the question again: so far as you are aware, does any agency of government monitor the allocation of legal work or accounting work by all government agencies?

**HON. MR. DEVINE:** — Well, Mr. Chairman, there may be somebody monitoring what contracting that we do. I mean we build a lot of things and we're involved in them and we'll monitor who's been doing what. We have to keep some sort of tab on it. I would suspect somebody does.

The Minister of Supply and Services, I suspect, who's involved in buildings and what not, and he has people applying through tenders for all kinds of things, keeps some sort of summary of who's been doing work and who has tendered and so forth.

And the same might apply for accounting firms, or for legal firms. So it wouldn't surprise me if somebody in government know who was doing the business as, wouldn't surprise me to know that we have five firms that are doing it in advertising. You had three. So I suppose it's collected some place.

I can say to the member, I don't keep a list in my office of who's been doing what. I said the ministers are responsible. They allocate it as they see fit. If they have a record, I'm sure that they could advise me that they have a record of who does it, and whose house has changed, and who did well, and who didn't; what would be the appropriate firm to recommend if you're looking for an accounting firm or an engineering firm or a legal firm.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I'll try again.

I don't want to ask whether you got into office. I'm asking rather simply whether anybody in the Executive Council or any other arm of government has as his or her responsibility the monitoring of the legal work or accounting work allocated by your government and its Crown corporations.

**HON. MR. DEVINE:** — Mr. Chairman, as far as I know, nobody has the specific job, just the . . . That's the total job of saying, I will sit there and monitor what legal firms we have employed with us. But that is not to say somebody might not know what legal firms have been doing work, or what accounting firms, or what engineering firms, and so forth.

But as far as I know, there isn't one person that that's all they do in life, is to sit there and tabulate what's being done with respect to the accounting and engineering and legal firms that do work.

**HON. MR. BLAKENEY:** — Mr. Premier, I'm having a good deal of difficulty getting myself understood.

I'm not asking whether that's all they do, I don't know whether that's a full-time job. I'm just asking whether there is anybody in your government who has that responsibility, either as full-time or part-time employment. And it's a pretty simple question, and if there isn't, just say so; and if there is, just say so.

**HON. MR. DEVINE:** — Well, Mr. Chairman, maybe we can resolve this. I'm advised that if a legal firm or accounting firm does a good job, it's recognized; and we could recommend that somebody else should use that firm, because they've done a good job.

We have made recommendations, and there may have been people who have made recommendations with respect to a law firm, or an engineering firm, or something. This is a good bunch of boys, you'd better use those; or, these local people; they're local rather than national and international — and so forth.

But as I mentioned, I have no central registry. Some people may have a pretty good idea, in terms of general, yes, I think these are the legal firms we use; I would recommend this legal firm, because it's done a good job for us, or something else like that. But that's all that I could provide. I can say nobody does it full-time. Yes, somebody may have some record, some idea, of what engineering firms, accounting firms, or legal firms are being used, and if we could dig it all up we could probably provide it for you. And from time to time somebody might make recommendations that this is a good firm, and you should consider them.

(2015)

But in any case, as far as I'm concerned, the ministers will make the decision, the corporations will make the decisions, and if they find good, professional people in Regina, Saskatoon, Swift Current, Estevan, or Prince Albert, or wherever, then they will use those professional people. If they do a good job, they'll use them again.

**HON. MR. BLAKENEY:** — So that, Mr. Premier, if, let us say, an auctioneering firm were engaged by Sedco, for example, it would be the minister who would make the decision, or very well might have made the decision, and we should lay it at the door of the minister rather than at your door.

**HON. MR. DEVINE:** — Mr. Speaker, I never said that I don't make some decisions. I'm saying I don't make them all. I'm saying ministers have responsibility. If they get into some areas where they want some guidance, or they want to talk to me about some things, they will come to me on occasion.

That isn't to say that I wouldn't comment from time to time on some things that might go on. Generally, as I said earlier today, I give them as much responsibility as I can, and I allocate the responsibility to individual personnel and let them deal with it.

So the majority of cases, most of the time they make the decisions. From time to time I may make a recommendation to them, or a member of my staff may make a recommendation to them. But as I'm sure you know when you were in office, that from time to time they might have sought your advice with respect to certain things, or your staff. Well that takes place in my office much the same way.

**HON. MR. BLAKENEY:** — So, Mr. Premier, if travel work is to be allocated, it's to be by the minister or the agency, and it may be with your advice or with the advice of somebody in your office. If auctioneers are to be engaged, it may be by the minister or agency, and it may be with your advice or the advice of someone in your office.

In any case — I don't quarrel about this — competitive tenders are not called for when legal work is being allocated. I say I don't quarrel with that; I just make the obvious point. When accounting firms are being engaged, competitive tenders are not called for. When auctioneering firms are being engaged, competitive tenders are not called for.

With respect to the sale of the \$40 million worth of highway equipment, there was, though, I understand, some proposals called for. But they're all dark-of-night proposals. We don't know who tendered proposals. We don't know who tendered proposals. We don't know whether or not the people who got the job was the low tender, or whether indeed any tenders were . . .

Whatever that is, it's not a tendering process. And I am just saying that, when you engage auctioneers, you don't have a tendering process. And under those circumstances it is useful for the public to know what process you follow in allocating them.

And I ask with respect, let us say, to auctioneers: what is the process by which auctioneers are engaged by Sedco? By Sedco because obviously here we have an instance where one of your members of your caucus obtained such a contract. We've established, I think, that it's not by tender, and I'm asking what the process is.

**HON. MR. DEVINE:** — Mr. Chairman, I'm informed that what takes place is that the firms are allocated the sales on a rotating basis and it's based on a list of registered firms registered in the auctioneers' association. The allocation moves from one to another and so forth. The Minister of Supply and Services informs me that's how they do it there. The Minister of Sedco isn't close enough. I can't reach him but I suspect it's much the same.

**HON. MR. BLAKENEY:** — Well, Mr. Chairman, and Mr. Minister, that's interesting because if it's done on a government-wide basis then obviously somebody must know what's being allocated on a government-wide basis. And you just told me that wasn't true with respect to legal work and it wasn't true with respect to accounting work. I am surprised to hear that it is true with respect to auctioneering work, or alternatively, surprised to hear that it isn't true with respect to legal work. If you have a roster, fair enough, but I think it is a little odd that you have a roster for auctioneers but not for lawyers or not for accountants. And if you rotate the roster, fair enough, but it's a little odd, as I say that you rotate the roster for one particular type of professional service of which the government would use relatively little and not for other types of professional services like legal and accounting where you would use a relatively large amount. Do you have a roster? Do you rotate the roster for lawyers and for accountants and for auctioneers and for engineers, or do you not?

**HON. MR. DEVINE:** — Mr. Chairman, there are lists of qualified people, whether they're people who have been called to the bar and are working as professionals in a law firm, or CAs, or auctioneering firms and their associations, and there's lists that their associations proudly publish. We have access to that list, as I'm sure you do, and so we can call on people on that list and we can allocate them from time to time and we can rotate them and spread them around. Now you can call any of the professional associations and you can get the list of people who have paid their fees and are professionals. And so yes, I'm sure the ministers do at least, maybe even people on my staff, have those lists of firms and we can draw on any of them, and we can rotate them, and we can offer them, and I would suspect the preference would go to local people, and that's appreciated. There may be others from Calgary or Winnipeg or Toronto that maybe you might have preferred, but I prefer local people, so I would encourage them to use local people.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I don't think that anyone is going to believe you when you say that people are picked by some sort of hunt and peck method through a list of the lawyers who are qualified to practise, or a list of the accountants who are qualified to practise, or a list of the auctioneers who are qualified to practise, or a list of the



engineers who are qualified to practise. I just don't believe that. I just don't believe that, and I don't think anyone else believes it.

I think you have a list of people who are on your short list, and a list of people who aren't on your short list, and what I'm really asking about is, how do you get on the short list? How do you get on the list? And I asked you specifically with respect to travel agents and with respect to auctioneers, and I asked you what the process is

And the process, Mr. Premier, is not as you say: that you get a list from the law society and lo and behold, you take it alphabetically, or every fourth one, or whatever. You don't do it that way. You do it some other way, and I'm asking you: what other way? What is the process?

Please tell me how Mr. Sutor turned up, or please tell me how you selected auctioneers — and I'll leave aside the \$40 million sale of highway equipment, because we know how that was done. We know it was done by . . . (inaudible interjection) . . . Well, with respect to auctioneers, I can assure you that hidden proposals were not called for, but let's leave that aside for a moment and I'll ask you what your process is.

What is your process for deciding who gets a piece of legal business or auctioneering business?

**HON. MR. DEVINE:** — Mr. Chairman, I've said that the ministers responsible for Crown corporations and departments will look at the firms. They can look at them in the telephone book, they can look at them because they've been involved with them, they can look at them associated with a history of professionalism; and they can say, these firms have performed, and these are those that would do a good job. They base it on their performance, on their history, and if they're performing well, then they would recommend them to somebody else. And they select them on the basis that yes, they can perform; yes, they're qualified; yes, they're local people. And if they're licensed to be a chartered accountant and they've passed the exams and they're agreed to be professionals among the other professionals in the industry, then they all must be in the ball park, so that they can choose from a selection of qualified people in Saskatchewan. Hopefully it's local.

So the cabinet minister can decide in his corporation, his board of directors and others, or his departments — and they do. So it's based on whether they can perform; have good performance. If you had good luck with one you stick with it. If you don't have very good luck with it, you might change.

**HON. MR. BLAKENEY:** — Thank you, Mr. Chairman, and Mr. Premier. So we look in the telephone books and Sedco has a little contract for auctioneering down in Swift Current. And it didn't find anyone presumably in the Swift Current telephone book. And presumably it didn't find anyone in the Moose Jaw telephone book. And presumably it didn't find anyone in the Regina telephone book. And it didn't find anyone in the Saskatoon telephone book. It found someone in the Melfort telephone book.

And what I'm asking you, Mr. Premier, is: was there nobody in the telephone book in Swift Current or Moose Jaw who might have been able to tackle that chore?

**HON. MR. DEVINE:** — Mr. Chairman, I'll do some research. But I believe in the case that the hon. member is talking about that Sedco put some material in a sale, but it was the receiver that appointed the auctioneer. And if that's the case, then I believe that the implication that it was somebody that was selected by a minister or somebody else would not be fair. So I'll check on that and I'll find out if in fact that Sedco had some things that were offered because of a bankruptcy or something, and the receiver appointed an auctioneer. Now if that's the case, the receiver obviously, whoever they are, they appoint them.

**HON. MR. BLAKENEY:** — I just won't pursue this because I think we know the facts. And if

anyone has appointed a receiver under a debenture, which is suspect is the case, and if the receiver didn't happen to ask the debenture owner whether he liked the auctioneer or not, I would be mightily surprised. I would be mightily surprised. Since the person, the debenture holder, is going to be the person who sinks or swims with the auctioneer's skills, I would be mightily surprised if the receiver didn't sort of check. And this will be a strange operation if it wasn't true.

I turn now, Mr. Premier, to the Redberry Lake project. And we know a little bit about the Redberry Lake project. And I think it gets more and more interesting as time goes on, as a matter of fact.

With respect to the involvement of the hon. member for Prince Albert in that project, when, Mr. Premier, did you become aware that the hon. member for Prince Albert had acquired an option on land adjacent to Redberry Lake? And I ask

... (inaudible interjection) ... Yes, indeed, the member opposite says it's the sixth time I've asked that question. You're right, you're right. I've asked it three or four times to the member for Regina North without any success on those occasions. But this one I believe we are perhaps a little better informed this time. When did you become aware that the member for Prince Albert had acquired an option on land abutting on Redberry Lake, the lake in respect of which a fish rehabilitation project was to be undertaken?

(2030)

**HON. MR. DEVINE:** — I'll answer that. I just want to go back and provide information, just so that we don't cast any unfair aspersions on anybody in Melfort.

There was a sale, a specialized sale going on, and I'm informed that Sedco put some material in that sale because it expected it to be sold and be auctioned properly. So it was an addition to a sale that was already in place. I don't think it would be fair to say that Sedco just went out of the blue just picked somebody to auction something off because it happened to be from Swift Current or some place else. If the sale was already going and it was a specialized sale and something that they had would fit, it just seems to make sense to me.

Now with respect to the information on when I was first aware of the fact that there was an option to purchase land, it was in the latter part of January, the first part of February, some time in that, and I don't have the specific date, but about that time period.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, on learning that, what action did you take?

**HON. MR. DEVINE:** — Well my first reaction was: is it a problem? Is it a legal problem? Is there a conflict with respect to the law? And would it be a conflict with respect to the perception of it? And I asked several people to examine that possibility and report to me as to whether it was or wasn't, and to provide me some advice.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, at that time when you examined into that or asked people to examine into it, was the hon. member for Prince Albert the Legislative Secretary to the Minister of Parks and Renewable Resources?

**HON. MR. DEVINE:** — I'll just check on the date, Mr. Chairman> I believe he was at that time, but I'll just confirm that. I believe he was Legislative Secretary to the Minister of Parks and Renewable Resources, at least in February, but I'll check the date.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I might refer you to order in council no. 1807/83 dated December 22, 1983, which may be of assistance to you in that regard.

Mr. Premier, when did you have a report from the staff who are looking into this on your behalf?

**HON. MR. DEVINE:** — Mr. Chairman, in the latter part of March or the first part of April I spoke to both the ministers, Minister Maxwell and Klein, about the Redberry project and the member's involvement. And they discussed it with me, talking about whether in fact it was a problem, or not. On April the 19th I instructed Mr. Maxwell to inform the member from Prince Albert about the environmental problems. ON April 29th I ordered a full environmental study for the Redberry project. And in the last week of April and, I believe, the first week of May, 1985, various allegations were made that the member obtained the option because of knowledge that Redberry Lake was to be stocked with fish, when the information was not available to the public.

And in light of these allegations, as I'm sure the hon. member knows, on May 1st I asked for a report from the Minister of Parks and Renewable Resources, and I also suspended the member until I found out what the potential involvement might be. And the result of the report I tabled here, and I can go through that, but I won't.

**HON. MR. BLAKENEY:** — That, I think, tells the story, Mr. Premier. The suspension came only when the allegations were public. You don't assert that any new facts came to light. You assert that you knew about it in January or the 1st of February, knew about it sufficiently to call for additional information. Additional information was obtained.

You didn't act on the additional information until the press said: conflict of interest. At that point you suspended the member as a Legislative Secretary, but not a moment sooner. And in your own words, until the allegations were made by a third party, you took no action.

Mr. Premier, how do you justify taking no action based upon a series of facts in — and presumably there's no more facts coming; we haven't heard any indication that there was any more coming. And the member stands suspended on information which you had long before May 1st and which, so far as we're aware, has not been added to by a single new fact.

If I have stated anything wrongly in all this, tell me. It seems to me you had all the facts in March or April. You acted to suspend the member in May, not because of any facts, but because of an allegation by a third party. No new facts have come to light and you still don't tell us on what basis the member is suspended and whether he is going to be reinstated. Would you care to comment?

**HON. MR. DEVINE:** — Yes, I'd love to. Yes, the member will be reinstated and I've said that publicly. I looked at the situation and I found that there was no conflict, but there was a perception that there might be conflict. And perception is very much a part of reality, particularly in the business that you and I are in.

The member had legal advice that he didn't even have to report to the conflict of interest guide-lines that he had an option to purchase. His lawyer says, well you don't even have to report that. Well, legal advice may vary, but in any event he was two days late in reporting the fact that he had an option to purchase.

So there's no contract and the information has been public for years that we're stocking fish, and I looked at it. But then there was a perception. The perception comes up, well maybe he knew in advance and it was all quiet and so forth. So I said, I will deal with the reality, and I will also deal with the perception. If the public wants to make sure that I am dealing with it fairly, then I'll suspend the member as Legislative Secretary and I will deal with it and we'll get to the bottom of it. And I found the only thing wrong that I could find, and even there it's questionable, legally, whether he even had to report in the conflict of interest guide-lines and option to purchase.

Now what I did point out at that time . . . And I dealt with the member. I suspended him. I said, well, look at this and you will not be involved. And obviously he has not been involved, and he's out of it.

Your colleague that sits beside you, the member from Shaunavon, was two weeks late, two weeks late in providing information to the conflict of interest guide-lines on a contract that he has 1,500 shares in an oil company that has a contract with the Government of Saskatchewan. And the member from Shaunavon failed to report it.

Now when the member from Prince Albert was suspended as Legislative Secretary, I dealt with it. You haven't dealt with your colleague who was two weeks late. What have you done about him? Nothing.

The only thing guilty that I could find was the member was two days late in reporting something that most lawyers say, I don't even know whether he should or not. And your seat mate, the member from Shaunavon, who has 1,500 shares in an oil company, was two weeks late in filing.

When the heat got on the member from Prince Albert, then all of a sudden in comes the conflict of interest guide-lines; oh, I forgot, or whatever it was. And he had a contract. The member from Prince Albert has no contract. He had an option to purchase a contract and he never exercised it. And I dealt with it. I just say that I dealt with it up front. And the member does not participate. The member from Shaunavon is still participating in his oil company, still carrying on, and he filed two weeks late. The member from Prince Albert couldn't even exercise an option to purchase.

Well in any event, I reviewed it. The legal advice is, there may or may not have been a mistake in terms of filing two days late. The information was public. I said that I would review it all. I asked the minister to give me a reply and a research, and he did. There was no contract. There was an option to purchase. It wasn't exercised. He was a Legislative Secretary. In fact he hasn't been put back until . . . Well, it won't be until this week or next week.

. . . (inaudible interjection) . . . Well, I can put him back tomorrow if you like. If you want me to put him back tomorrow, I'll put him. Okay.

So I'm just pointing out, the perception was, the perception was that there might have been a conflict. And I wanted to deal with the perception, so I said he will not participate, and he will not be a Legislative Secretary until I get to the bottom of it. And I did.

And there was no problems as far as I could see or the minister could see, because everything was public, and his option and the rest were full public knowledge.

So I mean, I think it's been very unfair the way that the member has been treated by the people in the opposition. I mean, maybe that makes your day; I don't know. But it's unfair, because he's been working very hard to develop northern Saskatchewan and tourism and lakes, and all the rest of it . . . (inaudible interjection) . . . You know better than that. You know better than that.

So I dealt with it. Perception is very important. You know that. And when the public says there may be a problem, all right, I dealt with it to make sure that there would not be a problem, not perceived to be a problem. And accordingly, we've looked at it.

There was no conflict; there was no option exercised. The member has nothing to do with it. And so . . .

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier. The Premier obviously has a . . . I'll only call an absolutely unusual view of what conflict of interest is all about.

In government, Mr. Premier, conflict of interest is using a position of influence to further your own interests as opposed to the interests of the general public. That is what conflict of interest is all about. That is what everybody who talks about conflict of interest . . . and members who deny this, I'll bring them a few books and they will see what it's all about.

(2045)

And the question is not whether or not someone had a contract or didn't have a contract, but whether he influenced the decision of government in a way which might have benefited him in a personal way more than any other member of the public. That is what it's all about.

Everybody in government makes decisions which influence their personal affairs, obviously. If you make a decision to lower telephone rates, it'll lower yours as well as other citizens. That's not a conflict of interest because it affects you no more or no less than other citizens — all citizens in the same class. But when it is clear that the citizen, or that the person exercising the decision is not of a large class but of a small class, then conflict potentially arises. And in this case, we had the Legislative Secretary to the Minister of Finance urging provisions in the budget to stock lakes. And George, they came up in the budget, too. They came up in the budget. They were there.

And then, then he took out a option. Then he took out an option in September, and then he became Legislative Secretary to the Minister of Tourism and Renewable Resources. Further, for opportunities . . . The Legislative Secretary to Parks and Renewable Resources, I think, is the current name. He had a further opportunity to urge policies which advanced his own interest. I am not saying he did, but I am saying when anybody who is the Legislative Secretary to the Minister of Parks and Renewable Resources is also in the resort business, he should be making very clear to his minister exactly where he stands, and he shouldn't be participating in decisions which might affect the value of his resort properties — might affect the value of his resort properties any more than it would affect the value of any other citizen's. We're not talking about a cabin on a lake here. We're talking about a business venture.

And this same member, Mr. Premier — and I think the Minister of Tourism and Small Business will not deny this — participated in other negotiations, or at least was present when other negotiations went on with respect to McPhee Lake. At least he attended meetings with respect to that.

Now I think it's interesting to know that that project did not go ahead. Those negotiations aborted. And we are facing a \$9 million lawsuit. And we have here a member who was apparently interested in the resort business; at least participating in meetings with respect to one resort project in that general area of Saskatchewan, and they aborted. They didn't come to fruition. And we're facing a \$9 million lawsuit.

And then, on another lake on which he happens to have property, that went on nicely. That moved along very nicely. And we have a proposal in the budget when he was Legislative Secretary to the Minister of Finance, which provided some assist to that lake. And as the member for Turtleford is frank in saying, the decisions were made in August, of which he was clearly privy; the option was taken out in September.

The only public notice that's alleged is a section in a report by Tom Warren called "Rambling Afield," which deals with a great number of lakes including, as it happens, Redberry. That's the public announcement.

This government certainly is not lacking in putting out press releases. They put them out by the thousands. But this public announcement, I didn't find in a press release/ This proposal to do a great deal more stocking in Redberry Lake was made in August — August 20th, department decides to undertake major fish stocking. And then we . . . September 20, Mr. Pickering writes to

Mr. Meagher advising him of program.

Mr. Chairman, I am reading from this report. I will say the hon. member for Bengough-Milestone writes to the hon. member for Prince Albert advising him of the program. And on September 28th the hon. member for Prince Albert and Mr. Mamchur take out an option.

That's the sequence of events. Side by side with another project in which, at least he was participating in the discussions, aborting and us facing, us being the people of Saskatchewan, facing a lawsuit of \$9 million.

Now Mr. Premier, you may say that the only problem was whether or not the form had to be filed under The Members of the Legislative Assembly Conflicts of Interest Act. That's the smallest part of the issue, whether the form was filed or not filed. And the smallest part of the issue is whether or not an option is an interest in land pursuant to that Act.

The biggest part of the issue is whether or not that member in his capacity as a Legislative Secretary was in a position to influence decisions which would increase substantially the value of his proposed project, and whether he did so.

But we have no evidence that he did so because we are not privy to the meetings. We are certainly . . . We have lots of evidence that he attended meetings at the time when these decisions were being made; lots of evidence of that. The Minister of Parks and Renewable Resources is frank enough to say so.

On July 26, the member for Prince Albert and Mr. Mamchur met with Mr. Swanson and so on. And lots of evidence that he was in on the meetings. No evidence of course that he used his particular influence. How can that be illustrated by knowing whether someone is at a meeting?

But certainly there is every reason to call into question the conduct of a Legislative Secretary who takes a constituent to meet a public servant; so far as I am aware, does not disclose to the public servant that he, the member of the legislature, is personally interested; the MLA takes somebody along to talk to the public servant about a development on a lake. No problem here.

But surely, Mr. Premier, you asked whether or not, when the member for Prince Albert took Mr. Mamchur along to meet Mr. Swanson at the end of July with respect to Redberry Lake, surely you asked whether or not the member for Prince Albert disclosed to Mr. Swanson that, I am here not as an MLA but as a potential investor, and you should know that.

Surely you asked that, and I ask you: what reply did you get from the member for Prince Albert?

**HON. MR. DEVINE:** — Well if I'm not mistaken, Mr. Chairman, in July or August when the hon. member is referring to, I mean, there was no project. And the fact that fish would be stocked in Redberry Lake and other lakes has been going on for some time. But even that more fish might be stocked in Redberry Lake, I think you just pointed out, was in the newspapers in August or early September.

And then some time in September the option to purchase some property is obtained by the member from Prince Albert. Well anytime prior to that, I mean, there isn't even a project. And the option is not a project. I mean, the option itself — and you have to admit this — you said it's the smallest part of it, whether in fact it even has to be registered as a conflict. Well, if it doesn't even have to be registered as a conflict, how can it be a conflict? Either it is or it isn't. Most legal people, or a lot of them, are saying, it's questionable even whether you have to register the thing.

All right, so he says in September he has an option. Well if that's not a big deal, then it's not a big deal. You said now it isn't. Well he's been working as Legislative Secretary on economic development and tourism and finance across northern Saskatchewan. And he knows it. He's

lived there, raised there, and he's been doing a good job.

In September there's an option to purchase. And you say that's nothing. Well either it is or it isn't. If it's nothing, okay, then it's nothing. He filed it two days late. As I pointed out, your colleague and member filed his two weeks late. That's all that I could find of any significance.

And yes, he worked for various ministers to make sure there was economic development, particularly in tourism; particularly in forestry and in general economic development. And as you know, fish have been restocked and it's popular to restock fish.

Developments take place when you look at environmental problems, and the other project that you were looking at, they're not even connected to Redberry.

I mean, we look at environmental problems — whether you have the R.M. satisfied and a whole bunch of other things — and the R.M. in this case, environmental problems and concerns are examined and looked at. So I mean, the public knew that there was stocking going on. Obviously half the people in the province know that there's stocking going on, and there is an additional stocking going on. And even when it hits the newspaper that there's more fish being stocked, then there's an exercise, or someone says, well, there's an option to purchase. Well, I said there was no option. He didn't take or exercise the option, and I made sure of that.

And he wasn't Legislative Secretary until I reviewed it. I reviewed it all and there was no conflict — and I found that there was no conflict — and the only problem that I could find, he was two days late in filing his partially, or possibly, his option to purchase.

Well, that's not nearly as serious as a contract that is already in the mill that wasn't filed by your seat-mate.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I do ask you to listen to the points made. You don't have to answer them, but why pervert them? I said, and you heard me say, that the filing of the option was the smallest part of the issue. The fact of the option is the guts of the issue. The fact of the option is the guts of the issue.

And, Mr. Premier, if you don't — never mind if the act never required any filing — if you don't see something unusual about a Legislative Secretary talking about what is called an experimental program at Redberry Lake, talking to a developer, bringing a developer in to talk to public servants, and then, within two or three weeks going out and taking out an option as a partner of that developer, if you don't see anything unusual about that — never mind any filing requirements at all — if you don't think that there's any element, potential element of conflict of interest there, then I would like you to explain what sort of standards of conduct you expect your Legislative Secretary to follow? Is it all right for them to have business interests which are directly parallel to their interests and duties as a Legislative Secretary? Do you see no problems with that?

**HON. MR. DEVINE:** — Mr. Chairman, I saw a perceived problem with that, and I dealt with it. Now, I suspect that an MLA could look at some property and we'd have to find the place. Now maybe it could be Uranium City, maybe it could be another lake, maybe it could be some place else, and you could say, ah, but they're a member of government, or they're a Legislative Secretary, and they could have some information.

There should not be any conflict, and there should not be perceived to be any conflict. And in this case I was concerned that there might be perceived to be some conflict, so I dealt with it. I said to the member: you will not participate, and you're suspended until I find ... until I get to the bottom of this. And he did not participate.

Now, I suspect if anybody else here, or there, or wherever, were under similar circumstances,

that they will get treated the same way, and they will not be participating. So I dealt with it. I just remind you that it was a major contract that was not even public here, not until two weeks later. Fifteen hundred shares in an oil company registered here from the member of Shaunavon. Nothing. I don't know what you've done about it. Did you think it was a good idea? . . . (inaudible interjection) . . . It doesn't matter what it was. It was obligated to be here, and it should be registered. And you may say, well whether it's registered or not, it doesn't matter. Well then, why do you have the rules?

(2100)

So I'm saying that there was no conflict. The member has no contract. I dealt with it. And any perception of it that there shouldn't be will be dealt with from now on, was then, is now, and continue to be.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, the nub of the matter is using influence. That is what conflict of interest is all about. The Premier will know that no member of the opposition is likely to have a great deal of influence in getting the Minister of Energy and Mines to grant contracts that other people can't get.

I am told that there were no tenders called for. I don't know how there could be in this Redberry Lake project. I'm told that it wasn't a question of bidding. I'm told it was a question of the member, in his private capacity, going out and getting an option on the land, on the lake, where there were a great number of governmental decisions made, and a great number indeed.

Indeed, August — increases in angling fees agreed by cabinet; August 24th, the member for Bengough-Milestone, the then minister, informs the member for Regina North, with copies to Meagher, the member for Prince Albert, regarding the experimental project. And then on August 20, department decides to undertake major stocking program, and on it goes. A busy month of decisions followed by one of the participants in the decisions, at a governmental level, stepping out and taking an option in his private capacity.

Now I compliment the Premier on deciding that that should not become a reality. I compliment the Premier on urging — perhaps even stronger word would be in order — the member for Prince Albert not to complete that business deal. I don't compliment the Premier on attempting to suggest that it would not have been irregular for the member to do so, that it's a matter of perception.

No one is suggesting that the member for Prince Albert — and no one can prove that the member for Prince Albert influenced the decisions in a particular way.

But, surely, Mr. Premier, you have got to agree that cabinet ministers and legislative secretaries who are sitting around the treasury board table making decision on budgets, or sitting around the departmental table making decisions on whether the money will be spent on this lake or this project, should not at the same time be sitting around quietly thinking about how they can turn that to account for themselves to an extent that will not be available to all other citizens. Surely that's the essence of assuring to the public that there is total probity in public affairs.

And I say to you, Mr. Premier, when you suggest that the Legislative Secretary can be partly to all of these decisions during August, and a whole series of them; step out in September and take an option, step out in September and take an option, then find himself (I'll put it in those terms), find himself the Legislative Secretary to the Minister of Parks and Renewable Resources, so that he will be in a still better — have a still better opportunity to influence decisions which will affect the value of his investment, or his potential investment; then, I think, Mr. Premier, there ought to be rules. There ought to be rules promulgated, not based upon a later perception, depending upon whether the press reported on May 1st, but on the perception which you picked up from it in February and March when you're getting the reports from your department.



I take the view that your government should have rules by which the cabinet ministers — and here I'm talking about legislative secretary — govern themselves with respect to how they attempt to influence governmental decisions so as to make their own private investments more valuable.

**HON. MR. DEVINE:** — Well, Mr. Chairman, we've been over this a couple of times. I dealt with the situation. In my view, in reviewing the information provided me by the Minister of Parks and Renewable Resources, the member is using public information. Public information. I mean, pick another lake. Would it be all right for a member to invest in a piece of property in a different lake, or another lake, or another lake?

I mean, in your view, I guess it's impossible when you've been working on the whole project, generally, of developing northern Saskatchewan. If you buy a piece of property on a lake, or even down town in Prince Albert because of expanded tourism, more stocking, and so forth. There's a P.A. technical school going on, and we're proud of it. There's going to be \$6 million spent on an annual basis.

Now, should people buy property? What if an MLA buys property? Well, the perception . . . (inaudible interjection) . . . Well, next to it, then. How far away from it? How far away from the school? How far away would the property go up? It's a question of perception.

Now we looked at this case, and it was public knowledge that there's fish being stocked all over northern Saskatchewan. And the MLA's working and stocking fish all over northern Saskatchewan. Now, it's public. I mean, people have been asking — in fact, one of the things they did was ask the previous administration — would they stock more fish? They wanted more fish. Well we've been putting more fish in. It's popular to put more fish. And it's public knowledge that people want more fish stocked, and development, and so forth.

So you said using influence — he uses to make sure there was an awful lot of economic development and more stocking, because people in R.M.s in communities wanted to see that economic development. When it's public knowledge, and he has an option to purchase some property, and the public says well, he can't do that. All right. I said I don't want any perception that he was using any influence, and he will not use any influence, and I dealt with it. Well, when? When is it fair ball, then, for the member from Prince Albert or any place else to buy property? Could they buy property now? When?

We've already talked about the development, and the growth, and so forth. The perception is very, very important. In terms of using influence, I found he didn't use any influence. In terms of a contract, there isn't any. Of him benefiting — none.

I've dealt with it. I said to other members of the legislature — I say it to them both sides — make sure that there's no conflict, and make sure there's no perception of conflict.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier. I'm just going to make one observation. As you say, there will always be questions of degree. That's why we need the rules.

Obviously, if a member owned the land and then urged that a government project go on that land or beside it, that would be grossly irregular.

If a member happened to own land in Prince Albert and urged that a project go ahead in Prince Albert, that would not be irregular. And obviously there's a question of line-drawing. But that's what the rules are all about.

Members have said, and you have said, that there was stocking going on all over northern Saskatchewan. What, Mr. Premier, did you make of the report you got from the Minister of Parks

and Renewable Resources, when he said: "August 20th — department decides to undertake major fish stocking program, of which one is Redberry Lake?"

Pretty obviously, Redberry Lake is one of the ones which has been picked out for particular attention. Mr. Lauren deals with three of four. There's only a potential for private development on some of these — a ripe potential development in Cypress Hills Provincial park and some of the others which are discussed here.

That, it seems to me, indicates that there was a special kind of decision with respect to Redberry Lake, and it's that which I think ought to have engaged your attention, and it's that I think ought to engage the attention of all hon. members when we're talking about what is in order for cabinet ministers and Legislative Secretaries, and what isn't order.

And I say to you again: I believe there should be rules; I believe the rules should be public; and I think the perception, as you phrase it, of the public would be a good deal better of all of us if there were rules. And if they felt that it was not possible for 80 of us to use or influence to further our own projects, as opposed to those that have benefit for all members of the public.

**HON. MR. DEVINE:** — Mr. Chairman, I'll just add: I agree with the hon. member that there are rules, albeit the rules that we deal with are in the Act, in the conflict of interest Act. And then it's a question of judgement. And I agree with the Leader of the Opposition: often we try to find that balance. Whether you can buy property . . . How far from a lake could you buy property? Could it be a quarter of a mile, half a mile? How far from the technical school might there be an increase in value of property?

I mean, we have to make those judgements and those decisions. We hope that we judge as fairly as possible and we deal with them. and in the public sector we have to make sure that there is not, and perceived to be, a public conflict. And I will assure the hon. member that I will work as hard as I can to make sure that there is no conflict of interest.

**MR. SHILLINGTON:** — Mr. Premier, I want to ask you, with respect to the item at Redberry, I want to ask you how it is, Mr. Premier, that you didn't do something in February when you first found out?

I agree with my colleague, the member from Elphinstone, that there was a clear conflict of interest, as distinct from clear wrongdoing. There was a clear conflict of interest with respect to the member from Prince Albert in dealing with the Redberry Lake development. If you define a conflict of interest as the opportunity to exercise undue influence, then clearly that existed. I do not, Mr. Premier, as you do, use interchangeably wrongdoing and conflict of interest. They are two different matters.

That, Mr. Premier, that clearly existed. You knew about it in November. Why was it that you did nothing in November? While the member from Prince Albert may have some sins to repent, I think he also has a bone to pick with you. You knew it in February. Why was it that you didn't advise him at that time that there was a conflict of interest? You apparently recognized it later on, you deal with that perception. That's what I say is a conflict of interest, the opportunity directs his undue influence.

You knew that, Mr. Premier, in February. Why didn't you bring it to the member's attention then? Why in the bubblehood of fashion with which this government, you and this government, deal with all issues, did you just let it slide until the public pressure built up and you found your self in the jackpot. Why didn't you deal with it in February, Mr. Premier?

**HON. MR. DEVINE:** — Mr. Chairman, the member from Regina Centre has been a cabinet minister, and he knows that the opportunity to commit sin is not a sin. I mean, every cabinet

minister has the opportunity to take advantage of decisions. You know that, and I know that. But that opportunity, that opportunity is not the sin, or else we would all be guilty every minute of the day. It is deciding to do something where you could have undue influence . . . (inaudible interjection) . . . but you know as well as I do.

Now, the member, a Legislative Secretary has the ability to make some influencing decisions and to influence legislation, cabinet ministers, and so forth; that's why they are there. Obviously a cabinet minister has that power, and they're there because they have the public trust. And they make decisions with respect to interest rates, and parks, and taxes, and projects and so forth, as fair as they can.

Now I found no conflict in this situation because all the information with respect to the lakes and the so forth was public. And the member says, well, I have an option to purchase some land, some private land, after the information is public. And legally, many people say there is no conflict. In the public's perception, it could have been; so I dealt with it. And as the Leader of the Opposition and I just discussed, well it's a line, and you have to decide whether you should deal with it or whether you shouldn't — may not have been legal, but it might have perceived to be conflict; therefore, you better deal with it, and I did.

(2115)

So, I mean the opportunity to commit sin is there, any time you have that kind of power. That isn't a sin in itself; it's whether you exercise it or not. The member did not. There's no contract. There's no contract, and anything that they did have an option for was after it was public information. I knew that when I looked at it, provided the information, the information coming forward to me several weeks at a time, and weeks later says no, there's no problem but the perception that there might be. So I said I will deal with the perception.

The member from P.A. will not have anything to do with it, and we'll make sure that there's no real conflict or no perceived conflict. And in fact that were neither.

**MR. SHILLINGTON:** — Mr. Premier, you knew it was wrong in May. You made the member divest himself of the interest, and you publicly humiliated him. I can't believe, Mr. Premier, you're insensitive enough not to know that the member from Prince Albert has been humiliated by this thing.

Why didn't you do that in February and save this Assembly a good deal of time and the member from Prince Albert the embarrassment? Why could he not look to you for advice and leadership? Why did it have to be the media, and then the opposition, which brought this matter to his attention, thus embarrassing him? Why couldn't you have done that as a colleague, as a friend, and as his leader? Why couldn't you have told him in February that he was getting himself into trouble?

**HON. MR. DEVINE:** — Mr. Chairman, the member from Prince Albert, I think, told the media, told everybody else of this project. He was in front of the media at R.M. projects and in front of the public, and they knew about it. And the question was, was there a conflict after the fact?

I mean, as the Leader of the Opposition says, if you have property ahead of the time and then you go influence, yes. If you own school property where the school's going to be built, yes. After the stocking and the rest of the stuff is going on, are you entitled to buy a piece of private property on a lake in northern Saskatchewan? That's the question.

Well, I don't think there's a conflict. But because some people might think there is, I said no, you had better not buy anything. Just wash yourself of it completely . . . (inaudible interjection) . . . right. Well, I mean, let's be fair. You go back and look and say, after the information is all public, can a member buy some property on a lake in northern Saskatchewan? . . . (inaudible)

interjection) . . . Well, all right. The whole question is with respect to perception.

Now I go to perception. I think that there is a perception problem when the member from Shaunavon has 1500 shares in an oil company, a former cabinet minister in the government, and he fails to even register it until it's two weeks late. And the Leader of the Opposition says well, there's been a cabinet minister, you know lots of people in government, you know lots of people in the bureaucracy — all kinds of them.

And the member from Shaunavon knows better. he knows better than that. To have 1500 shares in an oil company with a contract with the Government of Saskatchewan, and his leader does nothing about it. He's two weeks late. That's a perceived problem, and he'll have to live with that.

I dealt with this member and said you have a perception problem. You'd better deal with it. I don't know what you've done with the perception problem with the member from Shaunavon having shares in a oil company, a former cabinet minister that knows all kinds of people in Crown corporations and in government here, and you've done sweet tweet about it.

So when you're talking to me about perception, we'll deal with perception. I dealt with it, and you didn't do anything about yours.

**MR. SHILLINGTON:** — Mr. Premier, members of the Assembly have always been able to bid on property which the Crown sells by tender. Members of the Assembly have always been able to go to the auction building at the corner of Dewdney and South Railway and purchase cars, and desks, and typewriters, and other things sold by public auction.

That is all the member from Shaunavon did, was bid on some land by public auction. If he hadn't of been the low bidder, if the company of which he was a member had not been a low bidder, they wouldn't have got it, Mr. Premier. That, Mr. Premier, has always been has always been a recognized exception for members.

None of those circumstances apply to the member from Prince Albert; so I suggest, Mr. Premier — at least in this Assembly — you deal with the facts and stop inventing them, which is what you're doing.

Mr. Premier, we have now three members who have been doing business with the government. We have the former member from Regina North East, we have the member from Prince Albert, and the member from Melfort. Mr. Premier, what are the rules for members doing business with the government in your government? What are the rules?

Is it okay to own a travel company — a travel business which does — which places travel? Is it okay to own an auction business which does business for the government? And I heard your explanation earlier. Is it okay to be a partner in a development which stands to benefit by stocking of a lake? Mr. Minister — Mr. Premier, what are the rules?

Is it okay for the member from Saskatoon South, and I'm in no sense suggesting he's ever done this — is it okay for the member from Saskatoon South to do legal work for the government.

**AN HON. MEMBER:** — Eastview.

**MR. SHILLINGTON:** — Eastview. I'm sorry. Saskatoon Eastview.

Mr. Premier, what are the rules by which members of your caucus govern themselves? Are those three episodes "okay"? If they're not, what are the rules?

There seems to be a great deal of confusion, Mr. Premier, among members of your own caucus as to what they should and should not be doing.

**HON. MR. DEVINE:** — Mr. Chairman, I'm sure that the hon. member knows that the rules were put together under the former government's administration with respect to conflict of interest. And the same rules apply here.

But there's not much point, well, I suppose you can — and you're going to the defence of the member from Shaunavon as if he didn't know anybody that might be of some influence. A former cabinet minister here, that is in the tendering process, knows all kinds of people, and then he's two weeks late in telling the public that he was successful in the contract.

You can't tell me and you won't tell the public the member of Shaunavon has to live with that — that perception. Who does he know?

**AN HON. MEMBER:** — What are the rules?

**HON. MR. DEVINE:** — Who does he know? The rules are the same as they were when you were a cabinet minister, and when the member of Shaunavon was a cabinet minister, and he knows better than that. And he can sit there, and you can sit there, criticizing me for your rules when I dealt with it, and I dealt with the member. And you can say, and you stand up and say, well really he had nothing to do with it, he doesn't know about that, or it has no influence.

Who are you kidding? You're not kidding the media. You're not kidding the public in Shaunavon. You're not kidding the public in down-town Regina that a former cabinet minister doesn't know any better than to take out 1,500 shares in an oil company, and have a contract, and compete for it, and win it, and file it two weeks late, as if it's perfectly normal. You know better than that.

So the perception, I dealt with the perception. You haven't dealt with the perception. The rules are the same as when you were in cabinet. And you know the rules. I dealt with it. I would suggest you deal with your own.

**MR. SHILLINGTON:** — Mr. Premier, clearly the rules are not the same. Clearly, Mr. Premier, the rules are not the same. There is no way that the former premier of this province and present and former leader of the caucus would have tolerated members doing business with the government in the fashion which you apparently have.

I say again, Mr. Premier, what are the rules for members of your government doing business with the government? I'm curious, and I'm sure some of them are. Because some of them, I think, are genuinely confused by your ambivalence on the issue.

**HON. MR. DEVINE:** — Mr. Chairman, the Leader of the Opposition, the former premier hasn't even dealt with his colleague. What is the perceived punishment for failure in this case, and of breaking the rules, and filing late? Nothing.

And he says he's about to step back in and run the province, and he'll deal with everything fairly. The cabinet minister, the former cabinet minister himself knows that it was wrong. And yet he wants to be the cabinet minister back in here, and he can handle it, and he says, trust me. We're going to trust him! He was here, he had an opportunity, and he failed. And the NDP lost badly as a result of all their mistakes — all their mistakes.

And you're asking me what the rules are. The rules are the same. The conflict of interest are the same. I dealt with it publicly. I dealt with it in government. The Leader of the Opposition, the Leader of the NDP, has not dealt with it. The former cabinet minister knows the rules; he knows better. And he did not deal with it, and you're trying to defend him.

Well you can stand here all night until the moon shines over the cow shed, and you can defend your member and your colleague. But the public knows that he knows better, and he was two weeks late, and he broke the rules. And you've done nothing about it. And you're saying, well what have I done?

What did I do? I dealt with it. I had the minister provide me with the information. I suspended the member as Legislative Secretary. I reviewed it all. I found no conflict. And there was no contract at all.

The member from Shaunavon has a contract. It was a contract. There wasn't even a contract here — an option to purchase something after it's all public. So I would say, clean up your own backyard before you start pointing fingers at all the rest of the world.

**MR. ENGEL:** — Thank you, Mr. Chairman. If I were in the Premier's position, I guess I'd try and put up a smoke-screen too and talk about everything else except what's relevant.

He has three members of his caucus involved in business directly with the government and tries to put up a smoke-screen as if one person has something else. That is not what's the issue out there. In Saskatchewan, and in rural Saskatchewan, the issue isn't that at all, Mr. Premier. The real issue is: what are you doing for farmers? What are you doing for farmers?

Mr. Minister, I have constituents that have sprayed land four and five times, and right beside their farms is a huge area that is hatching grasshoppers. Nobody's spraying it. Nobody's looking after it. What kind of control, or what kind of a . . . What should these farmers do once these grasshoppers are big enough to fly off and take off? Do you understand what I am saying?

You have an area that's green where grasshoppers have laid there eggs and have hatched. Beside that valley . . . I can take you through any series of hills you want — go south of your own farm, so south of your own farm or any set of hills you want where there's grass that isn't being sprayed — isn't being controlled by anybody; beside that area farmers are spraying repeatedly, four and five times.

What assurance have they got that there's going to be some help once those grasshoppers move into their area? They're controlling the grasshoppers on their own land. They've sprayed four and five times — no help from you, no help for you whatever. Not like in Alberta — where Alberta put out a program that is paying 50 per cent of the grasshopper spray — you have done nothing.

You have authorized your Minister of Agriculture to spend \$300,000 on freight to airlift grasshopper spray in so you could get a media event, when as within six hours of that time the truckers tell me they could bring it in. They can match that delivery by six hours. And you're prepared to give the companies \$300,000, but what have you given the farmer that has to buy that spray? . . . Nothing, nothing.

Now he's used that spray repeatedly — sprayed his land four times — one mile or half a mile away is an uncontrolled area beside a slough or beside a lake — take Old Wives Lake if you want — and all along that whole area there is some green grass, and that is polluted with grasshoppers; and right north of that the farmers have been spraying four times . . .

Constituents of Thunder Creek, in fact, told me this on Saturday — sprayed his land four and five times, right south of his place, south of his place are these grasshoppers. What I going to happen once these grasshoppers move, Mr. Minister?

**HON. MR. DEVINE:** — Mr. Chairman, there are several ways that I could address the question. The first go around I'll try to be as brief as I can and directly hit the question of grasshoppers; not the assistance to farmers on terms of cash, but what we're doing with respect to grasshoppers so

the hon. member knows. He wants to get into assistance to farmers, I'll go on and on about the thousands of dollars that we're providing that the NDP administration did not provide, but I won't do that to start with.

I'll say we have put together a program in co-operation with the R.M.s where that the CPR will spray the right of ways. The lands branch will spray their land. The highways will spray their land, and the R.M.s will spray the public lands. And the farmer will spray the private land. We will share the cost with the R.M.s in dealing with the lands branch land, the CPR, and the highways, and so forth, and the R.M.s can do that. Now some R.M.s, as you know, said: we won't do it, but we'll let the farmers do it, and he can bill us. Same thing; we said we'd cover it both ways.

(2130)

It's going to cost a lot of money, a great deal of money, to make sure that all that public land is parlayed. And we say the R.M. has a responsibility, and the farmer has a responsibility, to spray, and we'll work with the CPR, the lands branch, the highways, and the public lands and so forth.

Now on my farm we've sprayed, and we're spraying again, and we'll probably spray again, but that's the farmer's responsibility. People have problems with respect to flooding and with respect to drought, with respect to Bertha army-worms, with respect to midge, with respect to all kinds of things, and the farmer is expected to deal with it. And we will provide help if the municipal councils, wherever they will participate, and even they won't; we will go and pay for it with respect to the public roads and to the right of ways.

So we have a massive program of making sure that there are thousands and thousands of gallons and litres of spray brought into the province to make sure that all farmers have enough to deal with it, and the R.M.s have, and the CPR, and the railroads have, and the lands branch, and the highways, and so forth.

Now you say that now we should start to go out to farmers and say: I'll give you \$1 or \$2 or \$3 or 4 or \$5 an acre. That's what you're saying. Now you say, because Alberta is. Well I'll cut it off right there and say we have a program right now that will probably cost more than Alberta's in dealing with all the R.M.s and the railroads and so forth — that's the first thing — and the second is . . . and I'll come back to it.

If you want to use the money that's in Alberta Heritage Fund, then, my friend, you should have put some money in the Heritage Fund in Saskatchewan when you got the chance. And you didn't; you failed. You were Legislative Secretary to the Minister of Agriculture under the NDP administration. Where is the big bank of money that you can draw from?

We've put millions — \$300 million a year — into agriculture. You didn't help them when there was 22 per cent interest rates. You ask anybody out there that's got 8 per cent money what they think of that. Did you help them with drought? No. We were \$48 ahead in your constituency — \$48 ahead; never been done before, because of drought. That's an awful lot of money. That works out to something like \$29.5 million across southern Saskatchewan, primarily, as a result of drought.

And we now have a program with the R.M.s — all the municipalities — to make sure that we can have the right of ways sprayed, and we'll pay half of it. And the responsibility lies with the farmer like me and you, as well as the municipal councils. And for those that don't want the responsibility, they can pass it on to the farmer, and we'll pay him for spraying the right of ways.

So, yes, there's a massive program. Yes, it's expensive. But you know, as well as I do, that in every single insect, when you start to say I will pay the farmer for spraying once and twice and three times and four times, then are you recommending we pay the farmer for every time he sprays for midge, and every time he sprays for cutworms, and every time he sprays for Bertha army worm,

and every time he sprays for this, and every time he sprays for that — you never did.

You didn't . . . You didn't — your administration didn't, and the only time you can talk about it now is if you got \$10 billion in the Alberta heritage Fund, and you didn't have the gumption to build any when you had the chance.

We are putting small fortunes into rural Saskatchewan in terms of cash, money. And I'll compare our programs with anybody across the land from one end of the country to the next. We listen to farmers. When farmers are facing 22 per cent interest rates you didn't do a thing. We provided 8 per cent money in the face of 22 per cent interest rates. That's why you lost.

We provided 13 and a quarter for every home owner in this province when interest rates were 22 per cent; you did zero. That's why you lost. Inflation was running rampant. You did nothing. We took all the tax off gasoline, and that's worth \$35 million alone to farmers. Alone.

So when you want to look at the programs compared to what we've done in agriculture, what you've done in agriculture, I'll compare your time with ours; I'll compare now with anybody else across the country. We are monitoring the situation. We are providing supplies. We will bear the costs, and we will share the programs to make sure every right of way is sprayed.

And I know, my relatives know, my family knows, just as yours does, as you do, when you have to spray two or three times it costs money. And you don't like it. But once we start — and you never did — but if you want to spray for every insect and pay for every acre and then pay it again and again and again — well I believe that you know better.

We have a major program; it's very expensive. It requires the co-operation of everybody in the province, and we expect that it will help.

**MR. ENGEL:** — Mr. Minister, I thought that you were an agricultural economist and were the first Premier in a long time that had a quota book and could appreciate the concerns and the desires and the needs of farmers. And I guess I was mistaken. I guess I was mistaken.

Mr. Minister, since you're in office, farmers' income has gone lower than it's ever been before. More farm failures have taken place in your term than have ever happened before, with no thanks to you. You've implemented programs that have been the most costly to administrate. Your counselling and assistance plan — \$5,000 alone for counselling is what it cost for every loan that you made — it cost 5,000 bucks last year. You call that good?

And then you come along with a budget this year. When the farmer's income is the lowest it's ever been, you come along with a budget that takes \$375 away from him, that he should get to encourage him to pay his tax. You take \$375 away on his property improvement grant. You take \$300 away on a program that you had implemented, only let stand for one year. You take \$300 away on the farmer for a program that you only let stand for one year when it should have been spread right across his whole farm. You take that \$300 away; you slap him with 325, approximately, per farmer, with an education tax increase, where you said you were going to reduce the increase; and then you tell — you stand up and you brag about taking the purple gas advantage away on the farmer. You talk about the farmer saved \$30 million.

Well, Mr. Premier, you cost him \$65 million in that one shot because the farmer now is paying \$65 million a year more for his fuel than his counterpart in construction, and the trucker — \$65 million a year more. And you never figured that out. You don't consider that.

You don't have money for fertilizer like Alberta does, and you don't have a grasshopper program. Now what I asked you about grasshoppers, Mr. Premier, was this — and you didn't address that question at all because you like skirting the issue, and you like talking away from it.



I talked about a farmer that sprayed his land four times — sprayed it four times already. Beside him, within a mile, there's grass along a hilly area, and a lake, and a slough at the bottom — a big area, you know, 20 miles long type of thing. That area is infested with grasshoppers; it's just moving.

If you've ever seen grasshoppers, I'll take you over and show you there, because you won't see a square inch of ground without a grasshopper on it. It's privately owned. The grass isn't worth a buck an acre. The grass isn't worth a buck an acre. It's privately owned. Who's supposed to spray that land?

The farmer's not going to spray it because his hay isn't worth it — his hay isn't worth it. And the only way you can get in to spray it, Mr. Premier, is with an aircraft. The land is rough and irregular. You couldn't get in there. And if a guy goes and sprays with an aircraft, they charge a premium because it's so rough and difficult and dangerous to spray.

How are you going to control that area, and what are you going to do once those grasshoppers start moving? All the money he's spent trying to protect his crop is going to be down the tubes once those grasshoppers move in and they're big enough to fly. How are you going to control them?

Your program's not working is the point I'm trying to make. Your program's not working because the farmers are getting very upset when they go out and see the amount of grasshoppers across the road from them, where they've been spraying, and over here that land, that pasture land, isn't being touched, and those grasshoppers are allowed to grow. What have you got in place to control those areas?

**HON. MR. DEVINE:** — Well, Mr. Chairman, I believe that the hon. member is aware — and the Act, it's been in place quite some time, The Pest Control Act. And an R.M. council, if I understand it correctly, can use that Act to control weeds, spray for weeds or spray for insects.

And in a large area that has some private land is subject to — say, you have a millet problem, or you've got some other kind of a bad weed problem or a hopper problem — and after they spray it, if the individual isn't . . . because it has such broad, negative effects, negative externalities on the area, they can go back and they can bill the individual through his taxes.

Now we have The Pest Control Act which has been initiated in Saskatchewan — there's several Acts.

So the public land the R.M. can deal with. Private land that does a large problem — and you may find farmers, that one'll be three times, and you might disagree on how often you should spray it — but if you have a large area, then I would suspect — and this is the case, and we could certainly look at it — and if you want to explore it with the Minister of Agriculture and some others, I'll be glad to help you out there, look at The Pest Control Act, and see what's possible. If a large area is pasture, range land, rough land, and is not being sprayed, then perhaps under The Pest Control Act we can deal with it.

Now with respect to, you know, going back again — you touched on it. If you want to look at the money that's going into agriculture now compared to when you were in power, I mean, we just dwarf any expenditures you ever made. And I'd be glad to go through them in detail if that's what you want to do.

**MR. ENGEL:** — Well, I can assure you, I can assure you that there are not many happy farmers out there with that 15 or \$14,000 a farmer you were talking about. They're saying, where is it? Because they've never been this hard up.

And you're never going to collect less in income tax than you will this year because of the

conditions in rural Saskatchewan — in my area especially, where the farmers should be wealthy and where they have been doing well before. They are not doing very well under your administration, I want to assure you of that.

But what I want to tell you is, your program would be . . . that's just as typical of a Tory program as you have. You tell the R.M., and blame the R.M., and get the R.M.s on their backs with their residents and their ratepayers, and tell the R.M.: you enforce The Pest Control Act; you get out there; and you spray your 30 quarters of pasture land.

You got enough grass to maybe support a 100-cow operation down there, enough grass for that. And there's grasshoppers hatching in there. And you're going to go out there and charge that farmer 15 bucks an acre to spray that land? \$15 an acre — can you see how many farmers you'd break if you try and implement that? Mr. Premier, that's your responsibility.

When you have a pest like this, that's that broad a thing, and there's that many grasshoppers around, you can't put that on the back of some small mixed farmer and tell him, look, you get your pasture sprayed, or if there's any grasshoppers moving off your pasture, we're going to exercise The Pest Control Act. That is a serious problem.

Is this what you're standing up in this House — that you're going to pick a ratepayer, the municipal government against their own, and blame it and pass the buck and tell the R.M.s to enforce a Pest Control Act for grasshoppers? Is this what you're standing up in this House? You're more callous than I thought you were. Hundred million bucks for the oil companies last week, and not a buck for grasshoppers.

**HON. MR. DEVINE:** — Mr. Chairman, I said I would look at this situation. I don't know whether your farmer your talking about is a low income farmer, or a middle income farmer, or a wealthy farmer, or whatever. How much land does he have? How much land is it?

He said it's 20 miles long, and it's a huge area. He can't be that poor if you've got an entire area that way, and you've got one farmer, you've got one farmer, you've got a handful of farmers? You give me the names of the farmers and the land, and I'll venture to say this: I'll look at it, and I'll help you. But most of the problem is on the right of ways, along the roads. If you spray on there on those pasture lands, you'll see them. That's where they concentrate 'cause that's where the growth is the highest, and from my experience, if you look at pasture land, you'll find that they'll concentrate on the road ways, and then they'll move from the centre out to the road ways again, and they will keep doing that on large areas of pasture.

Now certainly under The Pest Control Act you could make sure that not only the R.M. right of ways are sprayed, but we can ask the farmer to help participate with respect to the edges at least. And you can look at that.

I'll look at this situation. If you want to bring me the farmers' names, I'll talk to the individual farmers, and I'll look at the situation, and I'll examine it in as much detail as we can to make sure that we provide some assistance. But you can't take one example like that, even in one corner of one R.M., and then say to the government, all over Saskatchewan now you're going to pay the farmer for every time he sprays. You won't find farmers in Saskatchewan saying that. You won't find farmers in Nipawin saying that's a good idea. You won't find farmers in Kindersley saying that's a good idea. And you won't even find farmers in Assiniboia that say you should be paid for every time you spray for hoppers. You know that.

So they want a program that says, if you have some difficult areas, we'll deal with them. If you've got some difficult areas, we can go out and make sure we've got special attention for special areas to make sure we can deal with pockets where you might have large areas of grassland, and they're moving on it.

But it's the farmers' responsibility and the R.M.'s responsibility to deal with each and every one of them as they find it. I mean, you know yourself, the farmer deals with it the best, and that's always the case. Maybe you don't believe that because you were in the land bank and you think the government should own all the farms and everybody should work for the government. But generally farmers believe that they should own their own farm and because they look after it better than anybody else.

(2145)

So when they're spraying for cutworms, and spraying for hoppers, and spraying for midge, and spraying for army-worms, and all the rest of it, they should be doing it. Don't allow some bureaucrat to get in and tell them how many times they have to do it and so forth.

And on the public lands, the public should be paying for it. And that's what we've got here. On the public lands the R.M. pays for it, we pay for it; and joint ventures with the lands branch, highways, the CPR has agreed to do their share. And if we've got pockets, we'll look at it.

And with respect to — again, I go back. You said, well farm income has a problem. Well, I'll agree. When you have interest rates at 22 per cent when we took over this province — in 1982 you were doing nothing for it. If you had done something in 1979, '80, '81 in terms of interest rate protection, we wouldn't have half the problem we got today in this province. You didn't do a thing for them, a thing. You took all that money, as somebody just said, and you bought uranium mines, and you kept buying farms and all kinds of stuff.

What did you do to put cash into the farmers' pocket? Nothing. You went out and you bought farm land and you raised the price. I can remember the infamous minister of agriculture at that time, the member from Last Mountain-Touchwood, Mr. McMurchy, running around and saying we bought land at \$150 an acre and then we offered it to the kids at \$800 an acre, and we made money on that. That's what you did for farmers; the biggest rip off that ever hit agriculture in the province.

That's why they rejected all your rural . . . (inaudible interjection) . . . The cattlemen don't like the NDP, and you know it. The farmers don't like the NDP, and you know it, for all those reasons, because the government has to control it, in your minds.

Well let me say, when interest rates were 22 per cent, you did nothing and got them into trouble. We stepped in with all kinds of programs. And it is difficult, and I know it and you know it. But you did nothing. Wheat prices drop, costs go up, cattle prices go down, and you've got some pretty serious problems.

We are putting more money in agriculture than has ever gone in it. And you're saying now . . . we put \$5,000 a farmer in it, up to \$15,000 in terms of payments, and you're saying: oh, the \$200 is going to be the end of the line. Well I could add . . . you ask about agriculture. You want to look at debt? Saskatchewan has the third lowest debt in the country, and on a per capita basis, it's like \$93 in the 1984-85 budget. Alberta's the lowest; B.C. follows with 82, and we're 93 — 2.8 per cent of the budget.

And we've said in our province and in a economy like ours, with the blessing of all the resources, we can handle that and during difficult times, we'll make sure that the people of Saskatchewan get help when they need it. High interest rates — we'll help them. High inflation — we'll help them. Reducing taxes — we'll help them. We have and we will, and we'll continue to provide those opportunities and that protection to people because they need it.

**MR. ENGEL:** — Well, Mr. Chairman, the Premier thinks he can get away with talking about everything else except the particular question of mine. And you skirted right around the question I asked you . . . (inaudible interjection) . . . no.

What about the situation where there is land that isn't being looked after and sprayed as far as grasshoppers are concerned? Are you going to exercise The Pest Control Act to deal with that situation? Is that how you are going to get it off your back, and get the R.M.s to fight with their farmers that can't afford to buy another pail of grasshopper spray to try and even spray their wheat land — to go out and spray marginal pasture land? Is that what you're saying?

**HON. MR. DEVINE:** — Mr. Chairman, I said to my hon. colleague, I'll look at any specific situation which he thinks and he believes deserves special attention. If you've got a large area of private farm land that covers, as he said, 20 miles one way, and whatever it is, 10 or 15 miles the other, and it's full of grasshoppers, and it's specific, and it's causing a bigger problem all over the place, then he can bring the information to me. I'll be glad to look at it, and the Minister of Agriculture. The names, the farmers, we'll deal with the R.M.s. We'll say: what's possible under this unique situation? Certainly the whole province isn't that way, and if you've got pockets of very specific problems, let's deal with them.

And you can raise it in my estimates, but if you're really concerned, if you were sincere, you'd have been in my office some time ago and said: all right, here is the specific problem, and between you and me, man to man, I think we could do something about it to help the area. But you'd sooner sit in here and whine about it. And I don't think people believe that you're credible any more, because you whine about it, and whine about it. And time after time after time, when you get down to the bottom of it, you don't really care that much because for two reasons, that I believe: one, you didn't do anything when you were here; and secondly, you always want to grandstand it, and you don't want to come and talk to me, or talk to the minister, man to man, and face to face, and say, this is the problem and let's see if we can work it out.

And you'd be much more popular in your area if you did deal with it man to man rather than raising it in here, and on and on. And then finally, what do you say: well why doesn't the province of Saskatchewan deal with it like they do in Alberta? That's the pat answer.

Alberta; that's all you can say these days is Alberta, Alberta, Alberta. I think that if you think so much of Alberta, you should move to Alberta, under a good Tory administration, and find out what it's like to live there.

They never nationalized a single thing, and they put \$10 billion in the Heritage Fund. They never took over land. They never took over a whole bunch of companies. They never nationalized the oil business, the gas business, the potash business, the farm business. They never took them over.

But they put together \$10 billion in a Heritage Fund. Right? . . . (inaudible interjection) . . . There — what did they provide? They provide \$10 billion at a time when people need it. What did you put? Where's your savings? Where's your savings? . . . (inaudible interjection) . . . Billions of dollars . . .

The member from Assiniboia says that the Premier of Saskatchewan lies. About what? About the Alberta Heritage Fund — \$10 billion in the Alberta Heritage Fund . . . Look, the Premier of Alberta, Mr. Lougheed, went through the 1970s as well as the Leader of the Opposition. The Premier of Alberta, which happens to be Progressive Conservative, put \$10 billion in the bank. The Premier of Saskatchewan at the time, which happens to be NDP, put nothing in the bank.

In the 1980s the Premier of Alberta was re-elected — PC. In the 1980s, at the beginning of them, the Leader of the NDP party and the Premier of the province of Saskatchewan was defeated soundly over the same period of time.

Now Alberta goes through with lots of money in the bank and can help people, and the NDP says: well why don't you do it like Alberta? Why didn't you do it like Alberta in the 1970s and quit nationalizing companies and help people and put some money in the bank?

You made a serious, serious mistake, and you'll live with it for the rest of your life. You lost politically. You lost economically. And people finally saw the shallowness of the whole philosophy of the Trudeau administration and NDP administration and all this funny business of saying: if we just nationalize your farm, we'll make it better.

Well they saw through it. They don't trust you. They won't trust you again. If you go into the polls in your riding and you go in the polls across Saskatchewan at any time, they're going say: I reject the NDP like they rejected them in Thunder Creek, like they rejected them in PA-Duck Lake, because you were not fair. You were not honest, and you had a chance to build in this province, like it's never built before, and you failed.

And you look at it today and you ask people, where's the money? Well, it's in the potash mines. Well you try and get the money. It's in the uranium mines. You try and get the money. It's in the pulp mill. You try and get it. It's in the farm land. Where did you put all the money?

Nineteen-seventies — growth like you've never seen before. Alberta puts \$10 billion in the Heritage Fund. You had the same chance and you failed. Well, people know that you've failed. And now when you have a drought problem or a flood problem, they know the NDP doesn't compete. The NDP in Manitoba doesn't even touch our programs.

And if you want to look at comparisons in terms of debt, in terms of credit rating, in terms of gasoline prices, in terms of income tax levels, you look at the province of Saskatchewan today. I'll just give you one example.

**AN HON. MEMBERS:** — I don't want it.

**HON. MR. DEVINE:** — I know you don't want it but you're going to get it. That's the best thing that I've heard. A family of four, \$15,000. In 1981, a family of four paid \$406 in personal income tax. Today, they pay 117 — 1985. Gas tax in 1981 was \$138; today, it's zero. Property tax rebate, minus 230; 230 extra today. Sales tax, 192; it's 139 today, in 1985. The difference is \$250 less tax today than in 1981 for a family of four making \$15,000, or a 50 per cent reduction in tax, today — 1981 versus 1985.

And if you go on and look at \$35,000, it's a 30 per cent decrease in tax, adding up all the changes, and you can put them all together. You increased taxes from 36 per cent to 51 per cent. You didn't put any money in the bank like Alberta does, so if you want help to help anybody, it's there.

You look at the province of Saskatchewan, and what do you see? You increased taxes from 36 per cent to 51 per cent. You increased gasoline taxes. You hurt people like they were never hurt before, and when they wanted help, you give them absolutely nothing.

And then, when you're in opposition — what do you say when you're in opposition? Well for heaven sakes, if you'd just followed Alberta. Well that's it. You didn't follow Alberta in the 70s; we are starting to follow Alberta in the 1980s, and that's why the NDP won't be elected in Saskatchewan again for decades and decades and decades and decades.

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

**MR. ENGEL:** — Mr. Chairman, just one short little comment before the Acting House Leader tries to bail out the Premier.

The question I talked to the Premier about was: do you realize that the only places the grasshoppers are severe are in the Minister of Finance's area along the Saskatchewan

River north? That whole area along the river? You go down South along the Cypress Hills, right across the province — I'm supposed to come to his office and bring him specific examples — right across the province; come between the hills ranging, the Coteau Hills, starting at Moose Jaw, Caron, and going right through to Weyburn, right along those hills, there's grasshoppers. I'm supposed to give him a specific example.

The Premier doesn't know what's going on. His Minister of Agriculture, in the midst of a crisis — where is he? Where did he go tonight? Do you know? I know; I know where he went. He left the country for a trip to Bulgaria. I suppose he's going to sell bulls. Well maybe he should try selling grasshoppers because we'll have some for sale.

You haven't done anything about the grasshoppers that are hatching on the grasslands across the province — nothing, nothing. Your program isn't working, Mr. Premier. Your program isn't working, and farmers that have grain land all along those hills are spraying and spraying and spraying. And what's going to happen when the grasshoppers in the hills get big enough to fly? They're going to move in on those farmers where they sprayed, and the farmers won't be able to do a thing about it because we don't have a poison to control a grasshopper with bait. We don't have a Dieldrin-type poison any more that's licensed in Saskatchewan where you can bait him and feed a big grasshopper.

And all I've been begging is, spray them when they're small. Get a program in there that farmers can afford it. If a farmer has land that's worth a dollar an acre for grass, he can't afford \$15 an acre to put aerial application on there. He can't afford it. You'd break every farmer in Saskatchewan if you'd enforce The Pest Control Act. You'd break every farmer in Saskatchewan that has range land because they can't afford to spray their range land. They don't do it.

They're taking care of the wheat land, and there's a lot of farmers have already spent more money than their crop insurance cheque is going to be. And this is not a general happening like you're talking about. This is the first time we've had this kind of an outbreak of grasshoppers in 50 years, since 1931, and you know what we had in 1931. It's funny that grasshoppers and Tories go together, because the Tories don't have a program for agriculture.

You know when you should have dealt with those grasshoppers, Mr. Premier — three years ago. The first fall you got elected, the grasshoppers started becoming a problem, and they weren't controlled in those grass areas. And we let them go, and we let them hatch, and last year, we had a drought and nobody could afford to control them. and we let them hatch again, and this year you're letting them hatch one more time. And I'll tell you, when you talk about the member for up North and across these lush north ridings, they'll be there next year if we don't control them this year; I can assure you.

And I think your program is inadequate. There's \$300,000 for chemical companies that are having the largest gross sales they ever had. You've got money for them. You think nothing of paying the aircraft fares to fly in the spray when, with six hours longer, they could bring it in by truck. You think nothing of that.

You don't have a program that works, Mr. Minister. You don't have a program that works. And in light of a national crisis, when we have grasshoppers as a crisis, the Minister of Agriculture flies off to Bulgaria.

I've heard the end of the story; you guys don't care. You guys don't care about the average farmer. And I know that if Bengough-Milestone were in my riding . . . maybe the member from there will get together with me and we'll come in and bring you a list. We'll come in and bring you a list that's what you want, but, Mr. Minister, it's half the ranchers in Saskatchewan that we're talking about, because that's where they're hatching.

**HON. MR. DEVINE:** — Mr. Chairman, the hon. member knows that if the R.M.s participate, it's about 3 mills, and we'll pay the other half, which is about 3 mills, and if all the R.M.s in the province of Saskatchewan decide that they're going to participate in this program, we will be spending anywhere from 5 to 10 to 15 to \$20 million, if you look at the R.M.s that are going to be dealing. So the public lands are those that we can spray, and not just the roadsides and public lands, we've got community pastures and everything else.

Then it's a question of private land. And you said that you've got farmers with huge areas of private land that they're not going to spray. Well I would like to know these. I want to know them any place in the province. If you've got large areas of private land where people said, I'm not going to spray anything, then we will look at those.

But the public lands, we'll look at 3 mills, the R.M. looks at 3 mills; that's 6 mills worth of expenditures. That's an awful lot of money. And you start adding it up when you look at the R.M.s across the province, and you spend 5, 10, 15 . . . (inaudible interjection) . . . No, this is public money. Right? You know that. Three mills — R.M.s . . . (inaudible interjection) . . . I said that the R.M.s are public money and we put up public money. That's 3 mills of public money and 3 mills of public money is 6 mills. And across the R.M.s in this province that's an awful lot of money.

Now you want me to start paying each farmer to spray once, twice, or three times, or four times. Okay? Now that's what you're asking. And then you're saying . . . (inaudible interjection) . . . Mr. Chairman, we are already putting up somewhere between 5 and \$20 million on a program. And you're saying on the R.M.s . . . (inaudible interjection) . . . they can provide the spray.

In the private land holders, it's up to the farmer. The combination of the programs between the R.M. and the Government of Saskatchewan are 6 mills, which is a large amount of money. If you want to provide me with the specific private people that you think there should be a program for, then I said that I'd be glad to co-operate. Rather than you stand in here and holler about how much money there is in Alberta heritage Fund, why don't you come and see me, and maybe we can do something?

The committee reported progress.

The Assembly adjourned at 10:05 p.m.