

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**June 18, 1985**

**EVENING SITTING**

**COMMITTEE OF FINANCE**

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**EXECUTIVE COUNCIL**

**Ordinary Expenditure — Vote 10**

**Item 1 (continued)**

**HON. MR. BLAKENEY:** — Mr. Chairman, when we rose for the supper hour, I had been asking a number of questions and I now want to ask a couple of more. And these, Mr. Premier, I want to direct to the order for return which was just tabled recently, yesterday or the day before, with respect to your travel.

And my first question deals with your deputy Premier. With respect to your travel, sir, going back to 1983, we got our results today. With respect to the similar period of travel for the Deputy Premier, we have not yet got them and I wonder whether you could speculate on when the Deputy Premier might make available the money he's spent on travel since 1983. Do you think that information could be made available at some point before the session ends?

**MR. PETERSEN:** — If I may interrupt the proceedings and ask leave to introduce some guests?

Leave granted.

**INTRODUCTION OF GUESTS**

**MR. PETERSEN:** — Thank you, Mr. Chairman. Today we have some distinguished guests with us, the Kinley Wheat Pool committee, who are seated in the Speaker's gallery. They're headed up by Mr. Fred Jamison. They met with my agricultural committee briefly over the supper hour, and we enjoyed a very good discussion with them. I hope they enjoy some of the questions and answers that we have here tonight. I'd ask all hon. members to join me in welcoming them here today.

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

**COMMITTEE OF FINANCE**

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**EXECUTIVE COUNCIL**

**Ordinary Expenditure — Vote 10**

**Item 1 (continued)**

**HON. MR. DEVINE:** — Mr. Chairman, I don't have the Deputy Premier's with me but we can table them, perhaps this evening, or before the end of session, as quickly as we can get our hands on them.

**HON. MR. BLAKENEY:** — Mr. Premier, I have looked over your accounts, and I'm not here to quibble with respect to them. I know that our duties require you to travel a good bit, and I took it from the accompanying notes, brief notes, that when Mrs. Devine travelled with you, the

arrangement was that if you were going in the executive aircraft she went with you, and no charge was made — and that was the arrangement under our government — and that basically the approach was that what additional expense was incurred because of her travel, that is, an extra ticket and sometimes extra meals, sometimes not . . . Is that basically the arrangement that you operate with respect to Mrs. Devine?

**HON. MR. DEVINE:** — Yes. That's generally it, as long as I understand, or we understand each other, that when I'm travelling in the province or in an executive aircraft here, she can accompany me. When I take a commercial flight some place, then my fare is covered by the government; her fare is not. When I have, you know, hotel rooms and so forth, and obviously she stays with me and it's really no additional expense . . . There would be maybe some additional expense with respect to meals, but other than that the government picks up my fare, my rooms, my expenses. Her travel is obviously not picked up by the government.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier. And I want to make clear that I am not here to quibble on the difference between a single room and a double room and that sort of thing. That is not what I'm about.

With respect to the member for Prince Albert and Mrs. Meagher when they went to the western governors' conference in Kalispell, can you recall what the arrangement was there with respect to expenses? And in fairness to you, the note says that costs were paid by Mr. and Mrs. Meagher, and . . .

**AN HON. MEMBER:** — Meagher.

**HON. MR. BLAKENEY:** — Meagher. Meagher. Meagher. Thank you, Mr. Chairman. I have heard a number of pronunciations attempted with respect to that name, and I'm happy to have from the horse's mouth, so to speak.

**HON. MR. DEVINE:** — Mr. Chairman, there really were no governmental extra governmental costs associated with Mr. and Mrs. Meagher. They were in the aircraft, the executive aircraft that was going, and it was going and coming back and they were in the airplane.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier. And I'm not, and I don't want to quibble about that. The one question I did want to ask was with respect to the trip to Toronto, which is not dated, but is at the top of page 2, on return number 61. That, Mr. Premier, is a startling amount. On the face of it, it says that you went to be a speaker at the press club in Toronto and you took Mr. John McKenzie with you at a total cost of \$8,200. The . . . You went some time, at about the same time to Montreal and to Toronto both and took three people with you, and it was \$2,600 and that, is about what I would expect it to be.

I wondered whether the arrangement was that you bought all the tickets of the people of the press who were there in order to get yourself a crowd. Or what was the occasion for spending \$8,200 to get to Toronto, yourself and Mr. McKenzie for one speaking engagement?

**HON. MR. DEVINE:** — We'll get the details for you, Mr. Chairman, for the member. I believe it was a chartered aircraft, and my schedule, my schedule evidently, and we'll get the details on it — I couldn't be there and be wherever else I was going to be. So I chartered an aircraft to make the speaking engagement and return. I understand that it was on . . . They were expecting me to speak for some time. I didn't want to cancel it.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier. I think that that is so startling out of synch with the other expenses which — the sort of normal in-Canada expenses when you're going to Toronto with two people for a premiers' conference, and I know that's a three-or four-day effort. And that only took \$4,800 all in, with two people beside yourself. And you've got other trips — Ottawa with Mr. Tkachuk for \$1,100; and one with Mr. McKenzie, who presumably

travels at the same expense as Mr. Tkachuk, to Toronto for 8,000. And I ask the circumstances, and you indicate that you will be able to offer a comment.

Mr. Chairman, and Mr. Premier, a little while ago you gave me a list of people for whom Executive Council had paid air fares, who were not government employees. I wonder if you have that information available. I wish specifically to exclude people who may have had their fare paid in order to have an interview, because we have already, I think, established that some of these people wish the fact that they had an interview to remain confidential. But the list you provided on an earlier occasion had names like Decima at \$755; and McLean-Fremes, at \$11,000; and Shaw, J. — John Shaw — at \$7,600. And I wonder whether you had available to you the amounts that were paid as air fares by Executive Council of people who are not employees of Executive Council.

**HON. MR. DEVINE:** — Mr. Chairman, I don't have that information here. If the hon. member might be as specific as he can with respect to what exactly that he would like to have, maybe we can . . . I believe most of the information related to that might be down town, and they can get it, but if he would be as specific as possible, we'll pull together what we can here.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I the interests of saving the committee time, I don't have any specific questions which I wish to direct to the Premier about that information tonight or tomorrow, and accordingly if he will say that he will provide us with the information, that's fine with me.

I just want to know what the policy of the government is with respect to paying travel for people like Decima, or McLean-Fremes, or this one had Mr. Tkachuk, but at that time he was probably a contract employee, and a number of other people. McLean-Fremes was the big one at \$11,000, and I take it they are your media advisors, media style advisors, or whatever the appropriate term is to describe McLean-Fremes. Would you indicate what functions they performed for the Government of Saskatchewan?

**HON. MR. DEVINE:** — Mr. Chairman, with respect to air fares of people who do not work for Executive Council, there's really two categories where we will pay the fare. The first is where we may be interviewing people for employment. And the second is for people who may be on contract, where part of their contract includes their air fare to come out and consult with the Government of Saskatchewan, if they live in Toronto or some other place. So if we have a media consultant or a policy consultant, and they are in contract with the government, we'll pay their airfare out if that's part of the contract, you know, once or twice a year or whatever it may be.

(1915)

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, can you indicate what sort of services McLean-Fremes may have rendered to the Government of Saskatchewan over the last 12 months?

**HON. MR. DEVINE:** — They're our media consultants.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, can you indicate sort of what kind of advice they render? Are they primarily print people or are they primarily electronic people? And what is their area of expertise?

**HON. MR. DEVINE:** — Really as I understand, they have expertise in all of it in terms of media. When the government is putting together programs, information programs on bonds or on various kinds of senior programs; we want to put together a television advertisement with respect to how you can take advantage of this employment opportunity or whatever; they are consultants who'll deal with the print, with the radio, with television, with all of it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I take it you feel that Dome Advertising do not have sufficient capability to give you advise on that. They obviously have sufficient ability to go to London and look at ways to privatize Crown corporations. But are you suggesting that their expertise with respect to marketing chicken does not cover the whole gambit and that you're looking for some other expertise from McLean-Fremes?

**HON. MR. DEVINE:** — That's right, Mr. Chairman. We have obviously used Dome advertising on a daily basis in Saskatchewan and then from time to time we will obviously consult outside expertise on specific things and that's why we have people under contract.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I want to ask you about your policy as Premier with respect to by-elections. I want to ask about the upcoming by-election in Regina North East. We have had, as you know, a vacancy in that seat since the first of this session. I would like you to make a statement on when you think their by-election will be, and more particularly I'd like you to give an assurance to the committee and to the members of the legislature that the House convenes for the next session that a by-election will have been held in Regina North East.

**HON. MR. DEVINE:** — Well, Mr. Chairman, I believe the policy with respect to by-elections and general elections hasn't changed for probably decades in the province of Saskatchewan. The Premier decides when the election will be and when by-elections will be in consideration of a large number of variables. And I called the last two by-elections and I'll call this one, and so in due course I will be announcing it. And I will not speculate on the date. And as my hon. colleague, or member knows, it's really I the tradition of premiers to speculate with respect to elections. There's enough speculation as it is.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, it is not in the tradition of premiers to speculate on the dates of general elections, but it is within the tradition of premiers to state a policy with respect to how long a seat will be vacant. And if you wish to recall the traditions of this legislature, I think you can go back 15 years or so before you will find that a seat was vacant for as much as six months. You have to go back, I think, to the days of Premier Thatcher and the constituency of Melfort, which stayed vacant for more than a year.

But what I'm asking you, Mr. Premier, is: do you have a policy that you're prepared to state on how long a seat is vacant before you feel obligated to the electors to call a by-election?

**HON. MR. DEVINE:** — Well, Mr. Chairman, the hon. member says that it's been as long as six months; I cold say it could be three or four months on either side of that. I don't have a specific policy in terms of the exact dates of when by-elections have to be called, or should be called, or will be called.

I'll be announcing it in due course, and I'm sure that the information will go as quickly as we can get it to the Leader of the Opposition.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I thank you for saying that once it's called you will advise the opposition. I think that's a gracious concession.

But I thought you might have gone further than that, and indicated whether or not you felt it appropriate for a seat to be vacant for more than six months, and I ask you again whether you will give any commitment that a by-election will be called in North East before, let us say, November 1.

**HON. MR. DEVINE:** — Well, Mr. Chairman, I will obviously be making the announcement. As one of my colleagues just said, I'll give you at least 28 days notice, and you can respond with that amount of time, and so can the public.

But I won't speculate on the date in the by-election. I didn't in Thunder Creek situation, and so we'll just follow that tradition.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier. And I'm thanking you simply because you have given me an answer, rather than giving me a response. But the . . . I say that the people of Regina North East pay their taxes the same as other citizens, and are as entitled to representation as anyone else, and taxation without representation over any extended period of time is as abhorrent now as it was in the days of the Boston Tea Party. And I want to urge you, then, to call a by-election at an early date, so that the electors of Regina North East may have the services of an MLA to look after their problems, and they'd be represented in this legislature when it next convenes.

And perhaps you can advise me whether you have assigned the member for Arm River to look after the problems in Regina North East, as I take it he was assigned with respect to Thunder Creek. Mr. Chairman, and Mr. Minister, I take it I'm not going to get an answer to that.

Mr. Chairman, and Mr. Premier, I want to turn to another subject, and that is the subject of your policy with respect to the electronic advertising of alcoholic beverages. And when you, Mr. Premier, indicated the change of policy which permitted radio and television advertising of beer and wine, you indicated that these ads would not be beamed at children.

You indicated that rules would be set so that the ads would not go over the radio and television at times when the audience might be expected to be largely children, and I say to you, Mr. Premier, that if information given to me is accurate, that is not happening. If information given to me is accurate, ads are in fact being not only aired at a time when children are obviously going to be watching, but are all but beamed at children, otherwise those particular times would not be chosen.

And I don't have a recent example; I have one going back a few months ago now, and I have had pointed out to me that on December 5th last — I use the December 5th one because it is particularly flagrant so far as beaming ads at children are concerned — on December 5th, 1984, on CBC television, at 7:30 p.m., a program called *Charlie Brown's Christmas Special* was aired.

Now *Charlie Brown's Christmas Special*, at 7:30 p.m., I think might — might — be assumed to attract a good number of children, and before the show was over at 8 o'clock, there was a Labatt's beer commercial before the show was ended at 8. And it is, as I say, a half-hour special with a break before the 8 o'clock termination for a Labatt's beer ad.

And, Mr. Premier, there have been other examples brought to my attention, but I thought this one was particularly cogent because no one can argue, no one can argue, that a program like *Charlie Brown's Christmas Special* is not aimed at children — nobody can say that, at 7:30 in the evening in December. And so it was aimed at children, and Labatt's were in there, and they were putting their ad on. And, Mr. Premier, you will know that I disagree with the whole policy. You will know that I disagree with the radio and television advertising of beer and wine, and you will know that my colleagues disagree.

But if, Mr. Premier, you are getting to allow the airing of beer and wine ads, will you take steps to see that these are not aired at times when children will obviously be watching? Will you see that Labatt's and others keep their ads off the *Charlie Brown's Christmas Special* and similar programs?

**HON. MR. DEVINE:** — Mr. Chairman, two or three comments. With respect to the specific example the hon. member raises, CBC television, I believe, as a result of that error, have apologized and admit it was a major mistake with respect to advertising. It wasn't the company, Labatt's, that was responsible. It was the television station. They admitted it. We agree and agree with you 100 per cent that the ad should not be at a time when children are watching television. We have made a very, very clear statement to the communications people, television stations,

that they shouldn't be.

I've had some complaints, and we have gone back to the stations, the television stations, and said to them: there are only certain time periods when this is available, and it shouldn't be outside of that. And in this particular case, I believe — and I think the minister just gave me the information — that CBC television apologized because it was their error.

**MR. ENGEL:** — Just a short question. What is your position on advertising or having liquor companies advertising sporting events, when the majority of young people are watching particular football and ball games and so on?

**HON. MR. DEVINE:** — Well, Mr. Chairman, I'm happy with leaving it just the way it is.

**MR. ENGEL:** — Well I'd recommend that you aim it at an audience that can handle liquor, if there is such a thing. I don't think there is. But I think it is detrimental to the sporting image to have liquor advertised, and the bubbly's up there between games. And I think that it's flagrantly . . . It's just high-pressured sales pitches that are done.

And your regulation should be looked at to have it on later in the evening when it is definitely an adult watching — I mean, if you want to have it on. I don't believe you should have them advertised at all.

**HON. MR. DEVINE:** — Well I know that you feel that way, and you've made it clear to me and to others. With respect to sports activity, many of the beer companies sponsor sports events, whether it's baseball or football or so forth. And they do, and that's part of Canadian and North America sports. And as you know, we produce beer in Saskatchewan. You probably grow malting barley.

**AN HON. MEMBER:** — I don't.

**HON. MR. DEVINE:** — Well there's a lot of people that grow malting barley. And we produce here; we have a lot of people employed in breweries — Saskatchewan-produced beer. Beer is legal; people can drink beer in Saskatchewan. They produce it here, and farmers across this province produce malting barley. But only in Saskatchewan, we found out, while there's 70 communities now licensed to receive beer ads from the United States and through channel television to communities all over this province, farmers couldn't advertise their product, malting barley, nor could the brewers of Saskatchewan advertise theirs; only Americans could. So we said, look it, we can't change the fact that you have satellites, and you have up to now 70 communities licensed. So Saskatchewan products could not be advertised, but you have to sit there on television and watch American beer be advertised, or they would say things like, "Hi Canada, have a Miller," because they know that we can't advertise.

(1930)

Well, we make beer in Saskatchewan. It's a major industry, and it's legal. As a matter of fact, you built a malt plant; the NDP administration helped build it. We grow malting barley in this province, and that goes to beer. And there's all kinds of people that grow malting barley. So you put the two together: we grow barley; we make malt; and we make beer, and we have thousands of people involved in those. We think that if you can make the product in Saskatchewan, and you can produce it, and you have lots of people working in it, it's a little hypocritical to say the Americans can advertise to us here in this province or Alberta or Manitoba . . . The NDP in Manitoba allow it the same way as we did because they know they have to compete. And you say, well you wouldn't.

Well the fact is Americans would, and you'd have to sit there and take it. Well most people say to me, in the agricultural sector, the agricultural sector says to me, if we can grow barley, and we

can have government-financed malt plants, and if we can have breweries in Saskatchewan, and they're all legal, then we can compete with Americans or Albertans or Manitoba people who are in those industries, particularly because we don't have any choice when it comes to the fact that 70 communities are licensed for cable television and get them anyway.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier. Every word you have said with respect to breweries, virtually every word, is true with respect to distilleries. It won't be barley, but it will be wheat or other grains.

Yes, the grain is grown in Saskatchewan, the goods is distilled in Saskatchewan or Weyburn, it is similar products that are advertised on television which you say comes in through satellite. Am I then to believe that it will shortly be the policy of your government to allow the electronic advertising of spirits? And why not? By your logic it is legal. It is made from products grown in Saskatchewan, people in Saskatchewan work at the distiller, and we see American television advertising distilled liquor.

Now I ask you, I say to you: if you think that this logic is good for beer, why isn't it good for spirits? Frankly I think it's bad for all of it.

**HON. MR. DEVINE:** — Mr. Chairman, the former administration obviously didn't let beer commercials take place in Saskatchewan; we do. I don't believe Americans — at least I can't recall seeing television ads where they advertise whisky on television at football games or any other events. I just don't recall seeing them. I don't think they do advertise whisky on television — or spirits; you'll have wine and you'll have beer.

People consume wine with meals and they consume beer with meals and there's a significant difference in terms of the impact. And we know that we have said that we will monitor the consumption habits. We will compare them with other jurisdictions. You look at consumption in Saskatchewan, or consumption in Manitoba, consumption in Alberta. We will monitor ours here.

From what I can recall of the numbers — I don't have them in front of me — the advertising in the province of Saskatchewan compared to the consumption in Manitoba, there's been no significant change, and in fact our consumption has gone down.

So Mr. Chairman, I am not going to endorse the advertising of hard liquors. I won't. Wine and beer is a completely different product, as the hon. member knows. He may disagree with beer ads: that's his prerogative. We have them and we're going to stay with them.

**HON. MR. BLAKENEY:** — Well Mr. Chairman, and Mr. Premier, our views are clearly different. I'll make one final question to you: will you make regulations which put beer and wine ads in the mid and late evening hours, similar to Manitoba, and not having them in the early evening hours as we have them in Saskatchewan?

**HON. MR. DEVINE:** — Mr. Chairman, two points that I'd like to make. The first is that the ads are under review at all times, and if there are any errors committed by the television stations we advise them of it, and they're warned of it, and we will continue to do that.

Secondly, we monitor the consumption all the time. And third, we have now seen, in the province of Saskatchewan, a large educational program with respect to alcohol abuse. And television stations are putting more and more time into programs and into commercials with respect to alcohol abuse. We see drunk driving incidents way down, serious accidents way down, associated with alcohol. All these are taking place as a result of the fact that we have increased information and education with respect to alcohol abuse.

I believe society in Saskatchewan is becoming increasingly sophisticated with respect to the use of alcohol because of the education ads. Young people are more careful. We see more careful

attention being taken with respect to safe grads. We see the driving records getting better, and so forth. All that is a result of more and more education. So we will continue to monitor it, and we will make sure that they do follow the regulations.

**HON. MR. BLAKENEY:** — Thank you, Mr. Premier, and as I say, I won't prolong this. As you well know, the consumption of spirits has dropped much more . . . The unadvertised spirits has dropped much more rapidly than the consumption of beer and wine. And indeed, wine has gone up; beer is about the same. The spirits have dropped significantly. And wine is advertised; and beer is advertised; and spirits are not advertised. You may see no connection to that, but I think I do.

Mr. Chairman, and Mr. Minister, I want to move on to another subject. And that's all right if you don't make a reply . . . (inaudible interjection) . . . All right. All right.

I want to move to another subject and that has to do with the perception of your government that some people in our society should get no salary increases and the perception that other people should get substantial salary increases. And we have already seen, Mr. Premier, what you think about people on minimum wage. You have been the Premier for more than three years, and the minimum wage has not gone up to 5 cents.

We have seen the latest budget call for teachers to hold the line on salary grid increases. We have seen the Minister of Health provide very, very small increases for hospitals. We have all of this, Mr. Premier, at a time when teachers are having to cope with an increasing level of emotional disturbance. Teachers are saying that they don't mind bearing their share of the cost of restraint.

Nurses are having to endure heavier work-loads and more stress and fewer resources. And talk to any group of nurses in a major base hospital and they'll tell you the same thing. And I think that's true with respect to some other hospitals. I'm not familiar with them, but I'll certainly say that the nurses that I talk to in Regina believe that their work-load has increased, their stress has increased, and the resources they have to treat their patients have, in fact, declined. And that, I think, is true, Mr. Premier, with respect to government employees, and I think of social workers who have increased case-loads, and labour standards officers, and public health inspectors, and others who are facing increased work-loads.

Now, Mr. Premier, not everybody is in the same shape. Not everybody is in the position of teachers who are asked to take no increase in the salary grid, or nurses who are asked to take little or no increase, little or no salary increase and have extra work. And, Mr. Premier, there's Mr. Loyd at \$2,500 a week, but as you told us this afternoon, you have your own Mr. McKenzie, who got an increase in the last 12 months of 8.8 per cent; you have Mr. Cascadden, who got 4.4 per cent; Mr. Emery, who got 4.4 per cent, and Mr. Dutton, who got 8.8 per cent; and we have Mr. McWhirter, who got 4.3 per cent; and then we had your deputy, Mr. Riddel, who got some 14 per cent, and he got increase from about \$70,000 to about \$80,000. His current salary is just about \$80,000, and he got \$10,000 in the last year . . . (inaudible interjection) . . . No. As my colleague says, perhaps he should feel hard done by because he's not getting \$2,500 a week in his grocery bill paid like the general manager of Saskatchewan Forest products, but I'll leave that aside.

I am talking about senior people of yours getting substantial salary increases, and not only yours, sir. We've gone through ministerial office after ministerial office. I think the minister in charge of the crop insurance hits the record at something over 60 per cent, but there are many 4's, and 8's, and 12's, and 16's, many, many of them at a time when teachers are asked to take nothing on the salary grid, and nurses are asked to take little or nothing, and similarly, social workers, and labour standards officers, and health inspectors, and others are asked to take little or nothing.



Mr. Premier, in the face of those facts, in the face of the fact that you haven't provided a dime in increase to people on minimum wage since you came into office — something is held out in the future but not a dime since . . . (inaudible interjection) . . . No, no. There's not a single . . . there is, Mr. Chairman, not a single person in Saskatchewan who has got 10 cents extra in minimum wage since the Premier came to office. You've raised it for some time in the future for the month . . . Not this month, not next month, but the month after that — true, true. But, Mr. Premier, it is now over three years since you have given nothing to people on minimum wage, while you are giving, during the same period of time, people . . . It's certainly obvious they don't have to wait till August for their \$10,000 a year. Now, Mr. Premier, how can you justify those two standards, so widely different, for people who are in the administrative arm, the non-political arm of the public service? People like nurses, and teachers, and as I say, social workers, and many others I could indicate; people who are getting no increase, or 1 per cent or 2 per cent, and not the 4's, 8's, 12's and 16's which are going to your political staff.

I'd like you to justify to the committee and to the people of Saskatchewan how some of your political advisers are entitled to increases of 8, 12, and 16 per cent.

**HON. MR. DEVINE:** — Mr. Chairman, there are several things that I could say in response to the hon. member. Maybe I can begin by . . . I'll begin by saying this: that the people that the hon. member mentions with respect to education, and nursing, and social workers, and so forth, they get what as increments or step increases on an annual basis.

(1945)

Out-of-scope people don't get those. And if people get their normal increments, then they can count on it for year after year seeing those increases take place. And in the teaching . . .

**AN HON. MEMBER:** — Not every year.

**HON. MR. DEVINE:** — Absolutely. It's in their contract. Increments and increments and increments, step increases. Out-of-scope people don't get them. Now, out-of-scope people have to have a way to have an increase. So if you go back and look at those that have contracts, like teachers, they will have their annual increments; for out-of-scope people, the previous administration obviously knew that you had to provide a mechanism where they could provide some increases, because you didn't have the annual increments. So if you thought that they were doing a worthwhile exercise, or in fact they were given new responsibilities, then you gave them some increases.

If, to give you an example, to give you an example, Mr. Chairman, I'm sure the hon. member will remember that Mel Derrick, from 1980 to 1982, received a 57 per cent increase in two and a half years. He went from September of '79 at 52,000 to April '82 at 79,608. Now that was under the NDP. John Sinclair, John Sinclair, of March 1980, and 45,794; he went to 69,931, as of April 1st '82, a 53 per cent increase in two years. Dickson Bailey, Dickson Bailey went from, in two years 11 months, he went from 35,348, to 54,612, or 53 per cent increase over that period. Now obviously these people were involved in Executive Council. They didn't get the normal teacher, education, nursing, social services, increment; they received compensation according to Executive Council.

And with respect to Mr. Riddell, you pointed out that his increase was the largest. I employed Mr. Riddell as associate deputy minister of intergovernmental affairs; then he went to the position of my deputy; and then clerk of Executive Council. So when you go from associate deputy minister of intergovernmental affairs to deputy minister and Clerk of Executive Council, obviously it's more responsibility. Significant increase in responsibilities, as I'm sure you'd understand. And even with that increase in, very large increase in responsibilities, the salary increase was not out of line. It would be extremely reasonable.

I mean, if you look at the 53 per cent, and the 52 per cent, and the 53 per cent you provided some of your people; from 50,000 to 79,000; from 45 to 69; from 35 to 54 in a two-year period, two and one-half years, two 11 months, it's not unreasonable to expect Executive Council people who have a new position to get some increases. Or if they don't have any increments at all as do teachers and social workers, you have a 4 per cent increase: a 4.4; 4.4; 4.3; 8.8 per cent. I mean, those are not unreasonable. So with respect to the policy, the policy is out-of-scope people don't have a way to move up unless you provide one, as you did and as I do.

With respect to the general public, I think it'd be fair to comment on a couple of things.

As of August 1st, 1985, this year, Saskatchewan will have the highest minimum wage in Canada. The highest minimum wage in Canada. Okay? And the announcement that we would provide an increase in minimum wage is very popular across Saskatchewan for the young people. They are happy to see that it is the highest in the country. It's also the right balance of the business . . . The business community feel that they can handle it. If you're concerned, as you mentioned yesterday I believe it was, that you said, well there's bankruptcies and bankruptcies — well obviously you don't want wages very high or else you'd have more bankruptcies. So there's a balance in there. So we'll have the highest minimum wage in Canada as of August 1st.

If you look at the average person, whether it's a teacher of a social worker and so forth, I can give you a couple of examples of some of the breaks we provided with respect to income tax and sales tax. Compare 1981 to 1985 — and I will include the flat tax. Let's take a look at it.

If you're making \$15,000 total income — two individuals, two children — personal income tax in 1981 was \$406; in 1985 it's \$117; \$289 break. Gas tax — obviously they don't pay any — that's \$138. Property tax rebate? We just removed that; that's an increase of \$230. Sales tax, there's a reduction of \$53. So where they used to pay \$506 in income tax, now they pay \$256, almost a 50 per cent saving since 1981 in the province of Saskatchewan in terms of taxes paid.

Now, if you're making \$35,000 — two individuals, mom, dad, two kids — the tax changes are the same. You reduce your taxes over 1981 by \$595. Your gas tax is worth \$138, the property tax, which is back on, is 230, sales tax is 123 — \$626 less tax, less tax, including the flat tax, including the rebate, including all the rest of it. Or close to a 20 per cent reduction in tax — 1981 to 1985.

Now, if you look at gasoline prices. If they'd stayed the same as they were, gasoline prices today would be close to 60 cents a litre in the province of Saskatchewan. They're not that way. We have the second lowest gasoline prices in Canada — the second lowest — and people appreciate that. So if you look at the tax breaks to ordinary Saskatchewan people, the tax breaks are there.

Now, let's just look at some tax increases to some large businesses, big business, and I'll just compare. Diesel fuel tax to railways went from 3.7 per cents a litre to 5.6 in 1983, and 5.6 to 8 in 1984. Out of the railroads we're getting \$27.2 million, \$27.2 million.

Corporate income tax in the province of Saskatchewan went from 2 per cent to 16 per cent, or another \$18 million annually. Capital gains tax went from 0.8 per cent to 0.2 per cent, 1985. The annual value of this is \$3.6 million. Forty-eight point eight million more on banks and railroads and locomotives and big business, \$48.8 million that we're taxing above what the NDP taxed. So if we look at the tax increases: yes, on very large companies, tax increases on railroads, on banks, on big business, \$48 million a year more than you taxed them.

If you look at the ordinary person, school teachers, \$15,000, 35,000; they pay less tax today than they did in 1981. So if you look at the minimum wage, it's the highest in Canada. If you look at the gasoline prices, it's the second lowest, often the lowest in the nation.

You look at the tax breaks for ordinary people; they're there. You look at the tax increases,

they're for very big business, and we're taxing big business much more than you ever did.

So you put all that together and then you say, well, in your administration you increased salaries 53 per cent in two and a half years, and I'm looking at 4.4 per cent increases, 4.8. 8.8. Well, in one case I've got 14 per cent and obviously the man went from associate deputy minister of intergovernmental affairs to the top deputy position in the entire government, and I believe that that's a reasonable increase.

So I would certainly compare the protection, and the income, and the tax levels, and the wages, and the job record, and the economic activity, given all the circumstances, with this administration to yours at any time, sir.

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

**HON. MR. BLAKENEY:** — A couple of things need to be said. I take it you say when comparing with the previous government, it's all right for you to say Mr. Riddell got increases because he had new jobs, different job, but the other people who you've quoted in previous years who also got different jobs and promotions, you didn't indicate that. And you want to compare apples and oranges as is so often case.

But, Mr. Chairman . . .

**MR. CHAIRMAN:** — Order. Order. All members can ask as many questions as they like. I would prefer they ask them from their feet.

Order. I would ask the member from Assiniboia-Gravelbourg if he wants to speak, he should rise and speak from his feet.

**HON. MR. BLAKENEY:** — The member for Assiniboia-Gravelbourg hasn't said a word. But never mind. He's getting maligned for what his fellow members do.

But with respect, Mr. Premier, to your assertion that your taxes on big business are higher than they previously were, I find that . . . I misread the Gulf Oil ad. I misread that big Gulf Oil ad which talked about the new regime and all of the blessings of this government, and I didn't understand from that Gulf Oil ad that you raised the taxes on Gulf Oil. And I didn't, because you haven't, and nor on any other oil company. Nor have you.

With respect to the banks, there isn't a bank in Saskatchewan who wouldn't be more than happy to pay a little extra money if it was receiving 25, 50, \$75 million in interest from the Government of Saskatchewan as the banks now do — as the banks now do.

Heave you any idea, ministers of the Crown, how much your government borrows from the banks, how much your . . . And if your government borrows \$100 million from the banks more than it did before, which it assuredly does, and there's an extra \$10 million is sheer gravy for them. And now you say, but we're collecting a million of it back. Big deal. Big deal.

And, Mr. Chairman, so far as the railways are concerned, I would think that the government opposite would hide its head in shame with respect to the railways. It did nothing to defend the Crow rate, month in and month out, year in and year out. And as a result, Mr. Chairman, the railways are making record profits.

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

**HON. MR. BLAKENEY:** — Nobody can deny that the CNR profits are far greater than they were short years ago. No one can deny that the CP Rail profits are far greater than they were short years ago. And they're greater because money is being extracted from the farmers. They are

greater because governments at Regina and Ottawa are friends of the railway companies. And they are greater because farmers are having to pony up a great deal of money.

And if there is the slightest doubt in anyone's mind that farmers are paying much higher freight rates than they were when the government opposite took office, then I would like to know on what basis that doubt is held because they are paying much higher. And of course, the railways are making a great deal more money. And of course, they're not troubled by the small amounts of money which this government is picking up, whether it be 10 or 15 or even \$20 million, and it isn't that high. And the amount of money the railway companies are now taking out of western Canada is indeed hundreds of millions more than it was a short time ago, and they are not troubled by these little imposts.

If, in fact, the government opposite would urge its colleagues at Ottawa to take a hand with respect to these burgeoning railway profits, and would see if they could put some sort of a hold or freeze on further increases — and we give them credit for dealing with that cap problem. That was a small but useful change.

(2000)

But if we could have some belief that farmers weren't going to be hit next year and the year after; if we had some belief that the government of the member for Estevan and the Mulroney government would take steps to defend farmers against sharp increases in freight rates; then farmers would be very much more relieved than they now are. Farmers would be very much more relieved than they now are.

I have one of my colleagues in this legislature now calling for a moratorium, and I will agree with him — a moratorium on further increases under the grain transportation Act would be welcomed by farmers in western Canada. And that suggestion coming from one of your caucus colleagues, Mr. Premier, would meet with the full approval of this caucus.

Mr. Premier, it's not good enough to say that you are getting more money from the major companies when you manifestly are not. Well look at your corporate income, whether it be the corporate capital tax or corporate income. It has gone up very, very scant indeed. And that's because you're not collecting it. You're just not collecting it. It's just not coming in. And I think that with respect to oil, as a percentage of the value of product you are collecting less every single year, indeed less every single month. And on one can deny that.

But I will just say to you, Mr. Premier — and I will go back to what I have said earlier — the comparisons of taking a salary five years ago and then saying that you're getting less tax on it now, on the same salary now, is of course totally invalid. Of course you're collecting less tax, because we have — or used to have — an indexed system. Of course, if you've got \$25,000 in 1980 and 25,000 in 1985, you're going to pay less tax because your exemptions have been indexed with inflation.

But with respect to middle income people, in your own words, it's only 20 per cent over four or five years for middle income people. Now inflation has been more than that over that period of time. And so you are, when corrected for inflation, you are called upon middle income people to pay higher taxes and not lower. And I invite you to take those same figures you read to me, apply the inflation rate, the compound inflation rate, and you will find you're taking more from middle income people than you were short years ago.

**AN HON. MEMBER:** — You took it out of pension funds — \$3 billion out of pension funds, Allan.

**HON. MR. BLAKENEY:** — Mr. Chairman, I have someone from the rear, and that's where he assuredly deserves to be if his comments have the same cogency as the ones I've heard.

But I say to you, Mr. Minister, not only are you calling on middle income people to pay more money, but during this same period, when you were saying that you're doing so much better for people in this salary bracket, teachers were getting 6, 8, 10, 12, sometimes 14 per cent a year.

**AN HON. MEMBER:** — And what happened to the pension funds? You spent it.

**MR. CHAIRMAN:** — Order. If the member from Saskatoon South has some questions, I'd ask him to raise them in the committee from his feet.

**HON. MR. BLAKENEY:** — Mr. Chairman, just by way of interjection, with respect to the teachers' pension fund: during that period, it was a money purchase fund and the Crown put in every penny, as the teachers put in every penny. And there was no . . . legally impossible for anybody to spend the pension funds, and the member ought to know that. But I will go on . . . But I will go on, Mr. Premier, to deal with the issue that I am attempting to highlight. Now you are giving major increases to some of your staff. Sure, staff in the past got major increases. But so were teachers, and nurses getting more money. Now you're still giving major increases to your staff and you're saying to teachers: hold the line. You're saying to nurses: hold the line.

And as for this theory that teachers all get increments, that, of course, is not true. Once they clime up to the top of the ladder, once they have taught for about 10 years, no more increments. And there are a great number of teachers out there, particularly ones who have families who have taught for 10 years — they get no increments. You're asking them to take nothing while you're giving major increases to your staff.

Now again I say, where is the fairness in saying you will give nothing to teachers who have reached the top of their increment ladder, as many, many teachers have, particularly ones who have families? And you will give substantial increases to many of your political staff and I instance again, the minister of crop insurance, the member for Arm River, who has given as much as 60 per cent to one of his senior employees, political employees, over a period of less than 24 months.

**HON. MR. DEVINE:** — Mr. Chairman, we have this little visit every year when we go through my hon. friend's office, when he held this office, and when I do. I will just, so that the public is aware that we have made very, very modest increases in salary, I will just present the figures. The average salary of the top executive people in the NDP administration, in the Leader of the Opposition's at that time — the premier's office — was \$57,943. That was in April 1, 1982.

In April 1, 1985, the average salary for the top 20 people in my Executive Council was \$57,467. In other words, it's 0.8 per cent lower than yours was, sir. Now that's after five years. And you just talked about inflation and growth and all the rest of it. And my average salary for the top 20 people in my administration is, in fact, lower than yours was — in April of '82 versus April of 1985. So I don't think that we're gouging anybody in terms of a very, very large increases unless somebody has a particular increase associated because he had new responsibilities.

And you just mentioned . . . Well this gentleman beside me, Mr. Riddel, went from assistant deputy minister, associate deputy minister of intergovernmental affairs, to the top deputy's position. He got a 14 per cent increase. Well let me give you the annual increase: for Mr. Derrick was 21 percent; for Mr. Sinclair was 26.5; for Bill McKnight was 32.5; for Valorie Preston was 28 per cent increase on an annual basis. And ours has been under 4 per cent. I'll give you a little bit more specifics on terms of the increases.

Bill Knight had a 95 per cent increase in two years and 11 months. He went from 30,551 to 59,664. Now you can give him new responsibilities if you like. This man's got a new responsibility, and he increased 14 percent. You've got 95 per cent. Valorie Preston got 101 per cent increase in three years, seven months, from 24,000 to 48,756. We can look at other increases in your administration. I mean, I can read volumes of them, but . . .

**AN. HON. MEMBER:** — Let's hear a few more.

**HON. MR. DEVINE:** — Well we can take Fred Bowen who got a 75.6 increase in three years. B-o-w-e-n in the Department of Health. John Gertz got a 60 per cent increase in 2.5 years, from \$2,200 to \$3,500. Executive Council, Bill Gillies, 59 per cent in 22 months, from 1,800 to 30,000. Well, Mr. Chairman, they're . . . (inaudible) . . . all over.

**MR. CHAIRMAN:** — Order, order. Mr. Premier.

**HON. MR. DEVINE:** — . . . (inaudible) . . . colleague opposite. When he was in power he gave substantial, substantial increases to members of Executive Council, and he'll have to justify to his fans or to the public in Saskatchewan why he gave 53 per cent or 93 per cent or 100 per cent increases. All right. My average salary of the top 20 people in Executive Council today is below what the average salary was in 1982 when the NDP lost. Now that's below, and that's after three years of inflation and so forth. And their figures speak for themselves; 57,943 and it's 57,467 today.

Now I don't think that's being unduly unfair to anybody. If people were brought in at a level, in fact, that was much lower than they could have been, and then they have increments that go up, I think that's reasonable. Certainly our people are as well qualified as yours were, and after three years they're not making as much money, on average, as yours were.

So I mean, we do this every year. You say that I give raises and I say that you give raises. Well obviously you give some healthy raises. Ours are in the neighbourhood of 4.4 per cent. If somebody has a new responsibility, he can get a larger increase. You had lots of them in the same ball park.

I think that's the question. Are we fair compared to how we treat the rest of the public? And I believe that's the nub of what you wanted to direct the question at. We are, in Executive Council, below what you were in 1982. Now that's pretty fair, if you ask me.

Now if you look at the tax breaks that we have given to the public . . . Or do you want to go back? And you perhaps don't want to talk about it, but removing the tax on gasoline is now worth about \$150 million a year. And the other tax changes, sales tax reductions on power bills to home owners, and the other changes that we have brought in, people pay less tax today than they did in 1981, at \$15,000, 35,000; and that's fair.

Finally, with respect to general wage rates, we have the highest minimum wage in the country as of August 1st, and people are happy with the increase, and the employment record in this province beats every other province across Canada.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I think that the point I made has been made by you. You say that the increases to your staff are around the 4.4 per cent level, and that's fair enough, and I accept that and that you will obviously have to justify to teachers and others who you are asking to take zero, and that's all we're about here. That's all we're about.

Mr. Premier, can you tell me whether you have anybody on your staff who has a title similar to communication officer, and do you have officers, and do you have anybody on your staff with titles similar to director of communications?

**HON. MR. DEVINE:** — Mr. Chairman, I'll give the various positions. We have a director of public affairs, which is Mr. Don Rennie, and he has overall responsibility for public affairs, communications, and so forth. Under him we have two directors: a director of communications, Mr. Sean Quinlan, who the hon. member was asking about earlier, and a director of media

relations, Mr. Ron Shorvoyce. And that group works as a unit.

**HON. MR. BLAKENEY:** — Do you have any others who have the title of communications officers?

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**HON. MR. DEVINE:** — We have . . . I will give the hon. member here a list of individuals that are associated, in one capacity or another with information — some of it is, some of them are technical, but he can suit himself.

We have a supervisor of advertising, Laura Dewald. We have a secretary to the director of media regulation, Heather Dreher. We have a communications officer, Ivy Glover. Ivy also is . . . answers the telephone for the Premier's office and is communicating with the public all the time. We have the secretary to the director of communications, Joan Heisler. We have the audio-visual technician 1, Frank Carlberg. We have information services officer 3, Michael Shykula. And administrative officer 4 — this is a technical person in charge of television, radio programming — Doug Skow. And information services officer 3, Gerald Totten.

**HON. MR. BLAKENEY:** — Thank you, Mr. Chairman. Mr. Chairman, Mr. Minister, do you have anyone called a cabinet press officer?

**HON. MR. DEVINE:** — No.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, that's being rejected, that proposition.

Did you last year have someone called the cabinet press officer, and what has happened to that person?

**HON. MR. DEVINE:** — Yes, last year, we had a . . . Ron Shorvoyce was cabinet press officer. We don't have one any more, on under that title. And Ron, as I mentioned, is director of media relations.

**HON. MR. BLAKENEY:** — So you have a director of public affairs, and a director of communications, and a director of media relations, and quite apart from that, and a supervisor of advertising, and two communications officers, and a number of other people who work in the branch that churns out press releases and the like, including a technical person by the name of Skow. I'm familiar with some of those, but the non-technical people — Quinlan, Shorvoyce, Rennie, Dewald.

Isn't it true, Mr. Premier, that almost all of the ministers have a communications officer as well? As we go through the agencies, that seems to be the case. What has required this burgeoning of staff dealing with press releases? I can understand why that would be true of Highways, since it seems to be one of the major activities of the department. But with respect to some of the other agencies, why all the additional people?

**HON. MR. DEVINE:** — Mr. Chairman, I believe that we were through this in previous estimates, but we have changed the way that we have dealt with communication from the previous administration where there were small groups of communication people throughout government and Crown corporations and so forth. We have centralized it under the director of public affairs, Don Rennie, and it goes out from there. And ministers will have ministerial assistants which will obviously help them from time to time, and some have expertise in communications, some have expertise in something else. But we have focused the public affairs and communications and media relations in one shop, and it deals with all departments and all Crown corporations at the same time.

**MR. SHILLINGTON:** — Thank you, Mr. Premier. I want to express the hope in beginning, Mr. Premier, that we can deal with the world as it is and not as you frequently wished it were.

Mr. Premier, it's one of the difficulties in doing these estimates is we're always dealing in a world in which none of us can join. We live in a world, apparently, in which, Mr. Premier, Saskatchewan's economy is number one. We live in a world in which we do have an effective program to assist farmers with grasshoppers, Mr. Premier. Mr. Premier, none of those things are true.

Let me say, by the way, that a grasshopper problem's got to be pretty bad before it comes to my attention. I don't pretend, Mr. Premier, to be a keen and close observer of agriculture, Mr. Premier.

I may say, however, that I returned to the neighbourhood in which both you and I grew up, over the weekend, Mr. Premier. If you think there was widespread support for your program, then you're not listening, Mr. Premier. There is confusion. There is an inadequate amount of help. And once again, Mr. Premier, you insist on living in a world which you create solely, apparently, for the benefit of question period.

I want to turn, Mr. Premier, to the economy. And again I ask you, Mr. Premier, to join us in 1985 in Saskatchewan. And let's deal with the world as it is, and not as you wished it had. Mr. Premier, not only is the Saskatchewan economy weak; it is an aberration, Mr. Premier, in a North American economy.

U.S. stock market is into — if I calculated correctly, sitting here, and I think I did — 37 months of a bull market. That occurs at a time when we are still struggling with a recession. That isn't going to last forever. In statistical terms, that bull market's already an old one.

The rest of the North American economy will at some point in time, probably in the not too distant future, be in a recession. And we're then going to have a double whammy, Mr. Premier. We will have the present problems plus a further weakening of the economies around us.

Mr. Premier, the Saskatchewan economy is third or fourth from the bottom in terms of job creation, depending on the month you pick. It hasn't been above that since last fall, Mr. Premier. The unemployment rate is double what it was when you took office. Mr. Premier, the growth in the Saskatchewan labour force is fourth from the bottom at last count. Growth in retail sales is last; we are last in retail sales. In 1985, while the full statistics aren't in, we lag Alberta and Manitoba by a wide degree.

Public and private investment is 18 per cent lower in Saskatchewan than it was when you took office. This is the only jurisdiction apart from Alberta where that can be said, or anything like it. In constant dollars the value of manufacturing shipments is 12 per cent below what it was when you took office. And this is the only jurisdiction where that's true.

I could go on, Mr. Premier. We're one of two provinces where we have a gross domestic product which in absolute terms is 4 per cent lower.

Mr. Premier, not all of those problems were one that you came into office intentionally trying to break. In fairness, you've had some bad luck. Any government that comes into office with such an unrealistic campaign as you, deserved a bit of bad luck, but you got what you deserved. I think our criticism, Mr. Premier, is not that you have intentionally created what all of us will agree is a serious situation. The criticism, Mr. Premier, that I hear being levied, whether it be in my riding or in the Caron, Rowletta district on the weekend, is not that you invented grasshoppers, not that you've created the other problems which face this province, but that you have done nothing to assist the Saskatchewan public through a very difficult period.



You don't have, Mr. Premier, anything dealing with job creation. Mr. Premier, you don't have a job creation program, apart from the inane and silly open for business. Even you own experts brought to your own conferences have told you that no amount of cheerleading done from the locality does very much to attract businesses. Most of them have a longer time horizon and a more realistic sense of where their best interest lies.

Mr. Premier, you might have used the public works as a short-term solution; you haven't in any respect. The highways are in despicable shape. Public services and public facilities are deteriorating, whether it be nursing homes, hospitals. The public complaints about those facilities is growing. Mr. Premier, you haven't used some of the obvious things you might have done, such as public works. You don't have any more sophisticated strategy for dealing with this.

I suggest, Mr. Premier, that it's time you joined the real world, joined the rest of the folks in Saskatchewan. In 1985, I admit, the times are tough, but they could use some assistance from their provincial government that, Mr. Premier, they could use something besides a premier who insists that we're number one, notwithstanding the fact that in economic terms, you aren't number one in anything outside the oil patch. Outside the oil patch, you aren't number one in anything. In most of the leading economic indicators, you're very close to the bottom. I don't think there's a single economic indicator apart from the unemployment rate itself, which is artificially in Saskatchewan — apart from that, Mr. Premier, there isn't a single leading economic indicator which we're even in the top half.

I wonder, Mr. Premier, if you don't think the time has come to join the rest of the real world, take some pity on Saskatchewan people, and give them the assistance that a provincial government can give them.

**HON. MR. DEVINE:** — Mr. Chairman, I obviously went through much of the detail last night with the member from Assiniboia-Gravelbourg.

Let me start at the end. You said, "take some pity on the people of Saskatchewan." I can only say that in 1982, when you called the election, interest rates were 22 per cent, and you offered no help to people. There was no pity. Individuals were losing their homes in Regina, in Saskatoon, and in Caron, and Lake Valley, and so forth. You know that. Twenty-two per cent interest rates. And they cried out for the NDP to help them, and you gave them nothing.

What did we say we would do? We said we would protect their interest rates and their homes at thirteen and a quarter, and we would go to the wall for them. And we did. And they bought it. And we delivered.

Similarly, interest rates at 22 per cent . . . And you saw them go from 15 to 19 to 20 to 22 in the latter part of the 70s and into the 80s — and for farmers. What did you do? Where was the pity? Where was the concern? You know the neighbours that farm just where you grow up. There was no help for them.

You would say one thing, and I remember the former member from Last Mountain-Touchwood, Mr. MacMurchy say, well, I'll buy your farm from you, boy. Well, people rejected that. That wasn't pity. That turns the farmer into a share-cropper.

(2030)

In any event, you mentioned pity. It was 22 per cent interest rates, and you did nothing for farmers. We said we'd provide 8 per cent money for every single young farmer that has a \$350,000 net, and we did. And we provided them help, and we showed compassion and concern.

What were the ads on television saying? You mentioned pity. Do you know what they said? The ads were the Saskatchewan family of Crown corporations. Help the big government. Don't worry about the people.

We listened to farmers and home owners. And virtually everybody in the province in every riding said: that's a good idea, because the government listened.

And you're right. They were extremely difficult economic times — extremely difficult. And on top of that, inflation was running very high. In fact, if we hadn't have done anything, gasoline prices today in Saskatchewan would be close to 60 cents a litre. And what did you do? You didn't show any pity. That's why you lost. That's why you lost.

You didn't help them on interest rates; you didn't help them on inflation; you didn't cut gasoline prices; you didn't go to the wall for them; you wouldn't give them natural gas so they could cut their costs; and there was no industries here to tax. I mean, the oil patch was half shut down, and you say today well, my gosh, we could sure tax them. Well, they wouldn't be here to tax, and you know that.

You had your chance, and they left. They left. In '82, they weren't there. You can go riding after riding after riding. You had your chance, and you showed no common sense, and mostly — and you used the word, and I'll come back to it — you had no pity for people. You gave seniors a \$5 increase in seven years. That's it. We give them a 100 per cent increase the first year because we showed compassion and pity.

You can take families, you can take children, you take the real families of Saskatchewan, not the Saskatchewan family of crown corporations, not the government bureaucracy that you like to talk about. I mean people just don't believe that garbage any more.

The Trudeau administration tried to nationalize half the country. You tried to nationalize Saskatchewan, and say it's for the people, it's for pity. And when at 22 per cent interest rates you did nothing, nothing. Not for farmers, not for home owners, not for seniors. You underfunded health, you underfunded education. You put all the money that . . . while Alberta built \$10 billion in a Heritage Fund. Where did your money go?

It went into potash mines, uranium mines, buying farms, pulp mills. And what have you got to show for it today? There's no Heritage Fund. You can talk about grasshoppers. You say, well, why don't you follow Alberta with respect to grasshoppers?

You have been saying, and your party has been saying: would you please help the farmer? Well if you'd have done anything at all close to the Tories in Alberta, you would have shown compassion. You would have shown pity. And you would have provided \$10 billion in a Heritage Fund without buying the province back and with nothing to show for it.

In essence and finally — I mean I can go on in terms of job creation, unemployment record: Saskatoon and Regina have the best job creation record in western Canada. The mayor of Saskatoon says, new job creation may of this year over May of last year is 9.5 per cent, better than any city in Canada.

There's excitement in Saskatchewan despite recession, despite drought. Despite all kinds of things that hit this North America market, there's excitement here that hasn't been here for decades because finally people saw through people like you.

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

**HON. MR. DEVINE:** — There's investment. There's population growth. There's labour force

growth. The conference board and other people forecast the greatest growth in the country will take place in the province of Saskatchewan, just given a normal crop. Just an average crop.

We've suffered the slings and arrows of 35 and 40 and \$50 drop in potash prices, and of high interest rates and drought and grasshoppers. Some of the worst economic conditions you could find in years, we've suffered. And you know what? People are optimistic about the province of Saskatchewan.

You went through in the boom years — 1970s — and when you had a chance in '82 to help people you did nothing. And they said, if you wouldn't help us in the good times you certainly wouldn't be there when times got difficult.

I'm telling you, sir, and I believe this: you had your chance. People wanted help and they wanted compassion and they wanted pity and you gave them none. And they won't give you a chance for decades to come.

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

**MR. SHILLINGTON:** — It is a sign, Mr. Premier, of your political bankruptcy and the political bankruptcy of the members opposite that your response to virtually all questions all day long has been to refight the '82 campaign. The only time when you've been able to effectively bring yourself to exhibit any enthusiasm from your job, and to bring your colleagues to exhibit any enthusiasm for your leadership, is when you're fighting the '82 campaign, Mr. Premier. It is, indeed, a sign of your political bankruptcy.

Mr. Premier, we are now some 39 months from the last provincial election. Presumably, unless you people . . . Unless your polls are showing you what our polls are showing us, we should be close to the next one. I wonder, Mr. Premier, if instead of dealing with the problems of the '70s which you dealt with in 1982, if you'd like to deal with the problem of the '80s, Mr. Premier.

I wonder if you'd like to deal with the fact the Saskatchewan does have the third worst record of job creation in Canada, Mr. Premier — and that, Mr. Premier, from your own statistics, Mr. Premier.

**AN HON. MEMBER:** — Not true.

**MR. SHILLINGTON:** — Well then you're calling the Minister of Finance a liar because I'm reading from his material. It is all that is available to us. Who knows how much worse it might be if we had an independent source of information?

Mr. Premier, will I know the members opposite are getting bad press. I know the members opposite are upset with nearly anything that appears in print or on television or on radio these days, because it is almost uniformly critical. And all they're doing is reporting what you people are doing to yourselves.

Mr. Premier, I wonder if you want to deal with the facts: the facts that Saskatchewan has the third worst job creation record in Canada; the fact that we have no real assistance for farmers, and their income is 26 per cent of what it was when you took office. And again I am reading from your statistics, Mr. Premier. I wonder if you want to deal with those facts, deal with the business bankruptcies at an unprecedented level — the only province in Canada where they are.

I wonder, Mr. Premier, if you want to deal with the economic problems which result in an unemployment rate which is unacceptable. It is unacceptable to the public. We say it's unacceptable. And if you don't find it unacceptable, then the public are going to elect someone else to try and deal with it.

So I wonder, Mr. Premier, if you want to deal with the problems of 1985 and 1986, or if you want to avoid them. so far you've avoided them. If you continue to do that, Mr. Premier, if you continue to fight the '82 election, if you continue to make the mistakes you accuse us of, you may find yourself suffering the same fate as we suffered in '82.

**HON. MR. DEVINE:** — I suspect that you must be . . . My hon. friend must be playing to his audience and his constituents and hoping that they are listening. I'll give you a couple of figures that shows that we are doing well compared to any other province that you want to find in Canada. We're in really difficult times. And you know they've been difficult, and I know that they've been difficult, but we've done something about them and you didn't.

I know the '82 campaign is imprinted on your mind because it was something that you probably still dream about . . . (inaudible interjection) . . .

Well, if I could just mention a couple of things. One, real growth, real growth. And if you want to use the figures, we can look: 1979 to 1981, which was in a fairly good time period, certainly coming off the peak of the '70s, growth in Saskatchewan was 5.6 per cent. That was on an annual basis. It was 32.1 per cent below the Canadian average. The Canadian average was 8.3 per cent — 1979 to '81. Now 1982 to '84, that's during this difficult time period, 4.6 per cent — yes, it's below 5.6: 4.6 per cent, and it's 75 per cent above the Canadian average. The Canadian average is 2.6 per cent . . . (inaudible interjection) . . . No, it's 2.6 per cent in real growth, and you can look at the numbers.

Now if I could just give you one other figure. Maybe you weren't in the House when I went through it last night. I'll just give you an example. Unemployment in 1975 under your administration was 2.9 per cent: 2.9. In 1982 it was 6.2. That's total year after year. I can pick a month if you'd like. I can pick April of 1975. It was 2.6, and April of 1982 was 6.3; 142 per cent increase in unemployment in your administration: 140 per cent.

In our administration it went from 6.2 to 8, a 29 per cent increase. You're saying, oh my gosh, did you ever do terrible. You saw unemployment increase well over 100 per cent in a very exciting boom time, when Alberta created a \$10 billion heritage Fund. You fell behind. Your unemployment increased dramatically, over 100 per cent. During a recession, ours has increased, on these figures, 29 per cent.

And obviously you had people leaving the province. The population was virtually standing still. Last year we were the only province in the Prairies to grow in population, for heaven's sakes. Now, I mean, you can dig up your numbers if you like, but you had a really good chance in the 1970s, a really good chance. But you didn't put anything aside and the population didn't boom. You missed a real . . . (inaudible interjection) . . . and when people needed to help you didn't provide it. And obviously in the spring of '82, when you called an election, you completely missed it.

Since '82 we've dealt with some really difficult times, and if you want to talk . . . I mean, I've been through these numbers but I can provide you. I've done it in question period, but if you want what we've done in agriculture — and you mention agriculture — we've put \$161 million a year into agriculture more than you did. And the federal government is now matching that with \$161 million. That's over \$5,000 cash for 66,000 farmers. Now that's things they ask for, rural gas, taking the tax off gasoline, 8 per cent money for young farmers; and drought assistance, tax breaks for livestock feeding, and so forth. They add up. Time and time again.

Well, I won't do through the list again, but it adds up to \$161 million plus 161 and we've lobbied the federal government to reduce the interest rates, put the freight rate improvements in, to take the capital gains tax off.

Those things are really significant for your family and for you on the farm. When your parents decide to sell the farm, that capital gains tax of \$500,000 tax shelter is extremely important to

them. They never before under your administration, under the Trudeau administration; they got it under ours. And that is small fortune to people in agriculture.

So if you want to look at real growth, if you want to look at the level of employment, you want to look at the major metropolitan areas creating economic activity, you look at the conference board forecasts. Who's going to grow the most; who is forecasted to have the lowest unemployment for the rest of the '80s? It's the province of Saskatchewan, despite recession, economic difficulties, high interest rates, grasshoppers, drought, and all the rest of that. Despite that, people from across the country . . .

Today in the *Ottawa Citizen* — I think it's today, or will be there soon or coming out — there's a whole editorial on educational financing in the province of Saskatchewan compared to other jurisdictions. Health financing, education, reform, growth, excitement, new jobs. people are looking at Saskatchewan.

They're not looking at Manitoba for excitement. Alberta went through some really difficult times during this same period, but, I mean, obviously Peter Lougheed didn't lose. You lost, because he was putting money in the bank and you weren't, and they saw the significant difference. He provided rural gas; you didn't. he provided interest rate protection, you didn't. You lost.

We are following in the footsteps of listening to people, having pity on people. Our record and our forecast compare with anybody else across this country in some extremely difficult times. So you can say — you can go to your next campaign and say — well, the Saskatchewan family of Crown corporations and big government will help the people.

But you know what they'll say? They've been there. They've heard that before. It didn't work with Trudeau, it didn't work with the NDP administration. They don't want to revert to the '60s and the '70s with that kind of rhetoric.

(2045)

They want a future, they want excitement; they want growth. They want to see tourism come in and see it expanded. They want to see oil people building and developing here. They want to see new technical centres, technical schools. They want to see first-class educational systems.

We're spending money on health and education and agriculture like it's never been spent before, during some difficult times. We've got the second lowest debt per capita in the country. I mean, our credit rating is not falling like it is in Manitoba and the NDP.

You put those together and you say, what would have you done in the 1980s; '82 and '83 and '84 and '85? What would you have done? Well, if you look what you did in the 1970s, you didn't put any money away.

The Leader of the Opposition says in the *Financial Post*, yes, he would have had a deficit. He says that, the *Financial Post*. It wouldn't be as large as ours, but he said he'd have a deficit.

Well, how would he balance it? How would he improve it? There's only one place that he would improve it. He says he would tax oil companies. Well how's he going to tax oil companies that aren't here? They weren't here. Half of them were gone when he was here.

So you can't have it both ways, boys. You can't have the good times and not build any heritage Fund, and then during the difficult times say, well you'd balance the budget. You just balanced it; in fact, you didn't do a very good job of balancing it even in 1980, '81, '82, you took so much money out of the power corporation and others.

In the newspaper you talk about balancing the budget; you talk about giving taxes away. You

say that you're going to give rebate back. Where are you going to get all this money? You must say that you're going to have to tax somebody. You're not going to tax people. You said we tax companies a lot more than you have. So you've got one person left. You say, well I'll tax oil. Well do you think the oil companies will stay if you're going to treat them like you did in 1981 and '82?

Well, my hon. friend knows that Saskatchewan is doing very well under very difficult circumstances. Our unemployment rate is the best in the country. Our forecasts for growth are the best in the country. We will continue to provide excitement and honest, solid, hard-working government that takes pity and has compassion when real families need it — and we won't stop that.

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

**MR. SHILLINGTON:** — Mr. Premier, I am satisfied that the version closely accords with the public perception is going to come out on top of this. I am satisfied, Mr. Premier, that while you may tell the public they've never had it as good, they have a different view of things.

I suspect, Mr. Premier, that you're going to have a difficult time selling that particular line unless you change it. No matter how provoked by your liberality with the facts when you respond, I'm going to make one more comment and then leave this subject.

You mentioned how much you had done for agriculture. You mentioned rural gas. Mr. Premier, to farmers whose net income is 26 per cent — and again I'm sorry to be using your figures if they're that inaccurate — but whose net income was 26 per cent of what it had been in 1982, the fact that you've taken natural gas to a miniscule number of farmers, a very few, doesn't assist the vast majority of them at all.

You mentioned gasoline. Farmers were, in fact, cheated by that campaign. They were led to believe that they would get the benefits of the removal of the gas tax; and of course, they didn't. You gave the benefit, Mr. Premier, to everyone but the farmers who used purple gas.

Mr. Premier, I wonder, just so we're dealing with the same facts, if we could narrow the field of discussion down to a fairly small ambit, Mr. Premier. Will you agree we had the slowest growth in retail sales in Canada in 1984, and for what portion of 1985 is available, we have, we know the slowest growth in the prairie provinces? Is that not useful as a barometer of people's confidence? And is it not, Mr. Premier, some cause for concern? Does it not suggest that this government should have some realistic and positive programs instead of the balderdash and the cheerleading which you want to pass off for public policy?

**HON. MR. DEVINE:** — Well, Mr. Chairman, I don't know whether the hon. member will convince many more people, or I will convince him. I can say, he was talking about investment, private and public investment. In manufacturing it went up about \$94 million, on average, during the term that you were in power. It's up over \$1 billion under our administration — 996 per cent increase, and total private and public investment is increased 102 per cent. If you look at 1970 to 1982 your average was, your average was 2522, in the millions of dollars, ours was twice that high. In terms of total public and private investment, it's extremely positive.

Let me also mention, just to make it clear, when you're looking at — you said percentage increases, percentage increases. If you notice that some provinces went from unemployment rates that were 7 per cent, 5 per cent up to 14 per cent and 18 per cent, you'll acknowledge that? They did . . . (inaudible interjection) . . . Okay. But when you look at them coming down you say, wasn't the percentage increase in the improvement tremendous? And that's what you're saying. Wasn't it significant increase in British Columbia because it went from 14 per cent down to 9; or Newfoundland went from 25 per cent unemployment down to 17. Wasn't that percentage increase terrific?

You know the fallacy of that. If Saskatchewan has stayed the lowest unemployment and hasn't varied very much — in your case it increased 140 per cent; in our case, 29 per cent — and it stayed right there, and you say, but you didn't improve it percentage wise as much as maybe some other provinces or the country, people see through that.

I mean the percentage change, if you're sitting there as number one, is not going to be nearly as high as if you went to 25 per cent unemployment, and then drop down to 15 per cent if you look at absolute numbers. If you look at new numbers, if you look at percentage increases, anything that you want to do compare Saskatchewan today, compare it to the 1970's, across the country today, across the country, and you will find that Saskatchewan, despite some really difficult conditions, has done very, very well.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I want to turn to another matter and that is, a stance of your government with respect to the federal budget. And particularly the stance of your government with respect to the old age security pensions, and you could not have made more clear, Mr. Premier, that you did not object to the de-indexing of the old age security pension. You were unwilling to take the position that your counterpart in Nova Scotia or New Brunswick or Prince Edward Island . . .

**MR. CHAIRMAN:** — Order, order. Federal matters are not really on the question of Executive Council estimates, but if you promise to be brief, we'll hear a small question on that.

**HON. MR. BLAKENEY:** — Thank you, Mr. Chairman. I won't get into a controversy with you, but I believe the stance of this government with respect to old age security pension is a legitimate question on item 1 of Executive Council, and I will ask it.

Have you had an opportunity to reconsider your position, and is it still your position that you will not take any position in opposition to de-indexing of old age security pensions? Is it still your position that only the guaranteed income supplement should be free from de-indexing and other old age security pensioners should have their old age security pensions de-indexed, at least, in part, as proposed by the Wilson budget, even though their income may be less than \$12,000 if they're a single pensioner, or less than \$18,000 if they are a couple of pensioners?

**HON. MR. DEVINE:** — Well, Mr. Chairman, the hon. member knows that we passed a resolution here, and I said quite clearly at that time that low-income people should be protected and there shouldn't be partial or total or any kind of de-indexing with respect to low-income people.

We passed a resolution in this House and said, any kind of partial de-indexing on low-income people should be offset from something, and we recommended several things to the Minister of Finance.

Now we did say, consider income in general, and I can't quote verbatim from that letter, but consider income. If people are going to retire making 70 or \$80,000 or as their income goes up and up, we should say they should receive less and less of a rebate, or a grant, or government sort of funding, when low-income people need more.

And that's precisely what we have offered to low-income seniors with respect to the property rebate for 1986. We said low-income people should even receive more if they need it, if they're on fixed and low incomes. But as you go up in the income scale, you will get less and less, and eventually you won't get any in terms of a rebate.

That seems perfectly fair, and I'll knock doors in your riding, sir, and you ask people whether the wealthy individual should be receiving the same rebate as somebody on a fixed income, low government pensions and so forth, and they'll say, you know, I'm not sure that I really need this money. I'm not really sure that if I'm making a \$100,000, I get family allowance, that more

shouldn't go to the low-income people. They'll tell you that and you know that.

What we've said to the federal people is this: please protect the low-income people, protect the low-income people; and as people have a lot of money, consider whether you should still rebate those folks that have a lot of money; look at the income tax system to make sure that you're not just taxing people to send rebates to wealthy individuals.

Now, I've said very clearly for low income, I am not in favour of any de-indexing at all, any partial or whole or anything else. Low-income people should be protected. We passed a resolution in this House, and we sent it to Ottawa. And I believe that they will respond.

Now I know people today don't want to see governments fighting back and forth like they did before, where we would fight and fight and argue. They like to see co-operation. We are building this country with co-operation. We have to compete with Americans, Japanese, and others.

We are going to be advising the federal government, as we have and the resolution did, low-income people need to be protected. But for heaven's sakes we must be sophisticated now as Canadians, at least grown-up enough that we don't have to be rebating somebody that's got an \$80,000 pension.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, you have in your government a Mortgage Interest Reduction Program. If the person gets 80,000 or a 100,000 and has a house with a swimming pool and a mortgage, you still give them the rebate. And you have done so for three years. And you are in no sense proposing to change that for people with a \$200,000 homes and a \$100,000 mortgages and swimming pools. You're saying, certainly we'll pay a rebate to those people. And then you were saying for this heritage rebate just brought in, and if those people get a \$100,000, you're still going to pay them. You're still going to pay them.

But you're saying to a senior citizen who has an income of \$20,000, a couple with an income of \$20,000, they are wealthy, they should not get any protection against inflation, they should have their old age security pension de-indexed, but not the person who has the \$100,000 house, not the person who is getting this heritage rebate you've just introduced.

Now, Mr. Premier, a case can obviously be made for limiting payments to people with 80 or \$100,000 in income. How about giving me the case for de-indexing the pension of a couple getting \$20,000? Give me the case for de-indexing that? Why won't your government stand up for that couple, who are faced with the de-indexing of their pension, who don't get guaranteed income supplement, and who hear from you that we don't want to pay the wealthy, and therefore you won't stand up for them.

**HON. MR. DEVINE:** — Mr. Chairman, I never picked any number out of the hat. I said as income goes up, they should consider as the higher the income the less the rebate. I mean, and that's precisely what we're doing in our property rebate program. As that income goes up a little bit, and they get a little bit less. As it goes down, they get a little bit more. And they can get up to \$750 at the low end, which they should. And I believe the progressive nature of the income tax system is the fairest way to deal with it.

Now when we brought in the thirteen and a quarter, protecting people against 22 per cent interest rates — because you won't do anything — we said, pick a number. All right. Mortgages, a home of \$50,000 if you buy much you know up to \$50,000 would certainly be a modest home. Okay? So up to \$50,000 is absolutely the maximum where you will get protection on thirteen and a quarter; that's all you get — the first \$50,000. Now the people might have \$70,000 homes, or 80, or 100, or 200, or \$500,000 homes, but we said up to \$50,000. That's it. First mortgage on your home — thirteen and a quarter. Now you can know your self, you go through Regina or Saskatoon and try and buy a home for \$50,000, and it's a modest, reasonable home — it's not too



much. We picked that number to cover most people.

(2100)

Now, let me go back and talk about the whole tax system. I mean I know that you agree with me with respect to reform of taxes. If we make it fairer and simpler and broaden the base, the average person should have received a lower base because you would make sure everybody's paying their fair share. And you agree with that.

Now, you said, well the system that you brought in to date isn't there yet, and I agree. But somebody had to start the darn thing, and we did. We've looked at reform and we've initiated the beginning of reform.

I mean just the tax changes that I outlined earlier tonight — the higher and higher income are paying more tax because many of them didn't pay tax at all. And you say, well you haven't get there yet totally, you haven't really fixed it all yet — I agree.

And the federal government didn't do everything we asked them to do — I agree. Some of it I didn't even agree with at all. And I told them. Like de-indexing for low-income seniors, I don't agree with it, and I said that.

We are looking at reforms that we can modify the tax system to make it simple and fair, less complicated, and lower that average tax burden. We initiated it here. The NDP in Manitoba support our move, the Socreds in B.C., the Tories in Alberta, all endorse or moves from reform to make it fair as I believe you do. Now you can say, well you haven't done it yet and you're not all the way there, and you're right. But people endorse that.

In the United States they're looking at major reforms along the lines that we've initiated in the province of Saskatchewan. We initiated interest rate protection when it was important. We took up to a \$50,000 mortgage, which is a modest house, a modest home — thirteen and a quarter; 8 per cent money for young farmers. Okay? Eight per cent money for young farmers.

So when we look at our programs, we have started to look at the income tax system, we've started to look at reforming it to make it fair for people in the province of Saskatchewan and making recommendations right across the country. And I suspect that's why they're doing it in the United States, and it's overdue.

It's not completely fair today and that's why we've initiated the changes. And based on income, the progressive nature of income tax, I believe that's the fairest. I believe that's the fairest. That's why I would like to see modifications to the income tax system, and why I have made major reductions in the sales tax, because the sales tax compared to an income tax is not as fair.

An income tax is more progressive; as you have more income, you pay. And that's why we've moved in that direction, why we took the sales tax off gasoline — \$150 million. Poor people still had to pay that. You talk about, you know, being fair — that's really fair. Nobody in the history of Saskatchewan has ever made tax changes as fair as we have.

One hundred fifty million dollars a year off people have to pay taxes; you never, ever touched that. You took the tax rate from 36 to 51, and you increased gasoline tax, and tax and tax and tax and tax. Nobody has cut taxes like we did, and nobody has initiated reform like we have, and it's fair. It's not perfect, but it's moving in the right direction. I believe the federal government should follow suit, and we'll continue to recommend that they do so.

**HON. MR. BLAKENEY:** — A couple of comments. Tax systems don't become fair because someone gives a speech. They become fair when you look at their application.

Now the Premier talks about this \$50,000 house. That is total rubbish. He knows it's total rubbish. He knows that his program was applicable to the first 50,000 on a mortgage even if the house was worth \$200,000.

**AN HON. MEMBER:** — That's what he said.

**HON. MR. BLAKENEY:** — That's not what he said. A modest house, is what he said . . . (inaudible interjection) . . . No, let's be very clear. Under his . . . (inaudible interjection) . . .

**MR. CHAIRMAN:** — Order.

**HON. MR. BLAKENEY:** — It is perfectly clear, Mr. Chairman, that under his program, a person with a \$200,000 house and a \$200,000 annual income could get the maximum grant. Now that is clear. No, I hope he doesn't deny that. All right. For his program, an income of \$200,000 is okay. And he gives the maximum grant to someone with an income of 200,000.

Now we come to the old age security pension, and that's what I asked about. And it is very clear that, on the motion moved and adopted by your people, to confine the protection against the indexing to recipients of the guaranteed income security plan, that sets its own ceiling. And those ceilings are: for singles, less than \$12,000; and for persons who are couples, \$18,000.

And the Premier says that that's all right. He wants to cut it off there, and that's where he cut it off. That's what he sent to Ottawa: we say you should have protection up to an income for a couple of \$18,000. That's what the resolution said. That's what you're asking the federal government to do, at the same time giving the maximum grant under your program to people with incomes of \$200,000. Now those are hard facts — hard facts.

**AN HON. MEMBER:** — No, they aren't.

**HON. MR. BLAKENEY:** — Well members are saying, no, they aren't. I hope the member will stand up and indicate what single fact that I've given is wrong. Is it not true that under the Mortgage Interest Reduction Program the maximum grant was available to anyone regardless of their income? That is true.

Is it not true that the resolution which you passed said that de-indexing should be limited to recipients of the guaranteed income security plan. That is true . . . (inaudible interjection) . . . Not true? True.

Is it not true that limits for guaranteed income security are approximately \$12,000 for single people and \$18,000 for a couple? Is that not true? . . . (inaudible interjection) . . . It is true. It is true. And therefore I say to you, Mr. Premier, for your programs you are saying . . . your reforms, because they're all still in place. Indeed, the Bill which is on the order paper now, and not yet passed, provides for rebates to people with unlimited income.

And yet you're saying that you are embarked upon reform. Now I ask you this: do you believe that the ceiling which you have set of \$12,000 for single and 18,000 for a couple is the right ceiling before people should be . . . below which people should not lose their indexing, and above which people should lose their indexing? Is that not exactly what you said when you passed that resolution over our objection, and is there any doubt that that's the position of your government?

**HON. MR. DEVINE:** — Well, Mr. Chairman, that isn't what I said at all. That's what the hon. member wants to use as his numbers, and he wants to go back, and he wants to look at our interest rate protection program. In 1982 we brought in the program, and we said we couldn't cover everybody's home unlimited, whether they had a \$500,000 home or a million dollar home, but we could cover some share of a mortgage, and most people would be covered at \$50,000,

and that's why we picked that.

If we had to design a brand-new program today as we're looking at tax reform, maybe we would design it different. Certainly our rebate program, as we're designing it, is based on income. And that's the example that I want to use, and that's why we suggested that to the federal government.

So the hon. member knows — look, yes, we brought in a program and it was a quick program to protect interest rates up to the first \$50,000 regardless of your income on every home in Saskatchewan that we brought it in. And it was acceptable, and people appreciated that, and we did it.

With respect to inflation protection: we took the tax off gasoline, and if you make a million dollars a year, you still get the benefit from taking the tax off gasoline. And we did that. And people needed the help and we provided it. certainly the millionaire didn't need it as much as somebody else, but a lot of low income people rally appreciated what we did, as they did with our home owner's protection program, the 13 and a quarter.

What I'm saying today is: I am recommending to my colleagues — we are recommending to people across the country, let's take a look at the Canadian tax system. Hey, that's what I'm saying, and I've initiated it with my rebate system, our rebate system, to base it on income so high; higher and higher income people don't keep getting more and more rebates. The low income should get more, and as your income goes up and up and up and you make 70, 80, 90,000, I mean, whatever a pension may be, you don't need to get the rebate, and people will tell you that. They'll say, help the low-income people, even give them some more. That's the philosophy behind it. We've recommended that the federal government look at that principle, and we suggest several things that they could look at. I didn't pick any numbers. In fact, if you use a scale, I'm sure the hon. member knows, if you use a scale, it just gradually gets less as your income goes up, which I believe is the best mechanism.

They've got all kinds of programs and pensions. You've got this pension program, that one, and this one, and that one, and so forth. They've got a whole basket of them. What did I say in this House? I said take a look at the entire basket of pension programs, protect the low income, and then look at the income as it goes up, and make sure that you're not wasting money on high-income people. We don't have enough money to waste it on high-income people.

I mean — and certainly you've had some economics classes. The allocation of scarce resources — we don't have enough money to start subsidizing people who don't need it. It's a scarce resource. Help those on low income; as your incomes rise, you get a little bit less, and a little bit less. And it makes sense to me, I believe, to most Canadians.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, you did set the limit. When you, in your resolution, introduced the idea of GIS, that have a limit. A limit which has actual figures on it. Are you saying that up to that figure — and you get them from your own resource people, your researchers will tell you that — those limits are approximately what I said they were, 12,000 and 18,000. And that is what you are saying should be fully indexed, and after that you say it shouldn't be . . . (inaudible interjection) . . . That's right. And that is the tax system which you have recommended to Ottawa, and whatever speech you give here doesn't change your recommendations to Ottawa.

Now with respect to the budget, which you say is, you know, we have to use our scarce resources, and we have to help those people who need it. And I read the letter, which your Minister of Finance wrote the Minister of Finance in Ottawa, on what we should be doing about this budget. And the federal budget, very clear, is aimed to assist people, not with low incomes, but with high incomes. That's very, very clear.

I just happen to have a circular from a bond house, Midland Doherty — but it could come from others — and it says:

However, for the astute Canadian investor, the unprecedented equity market incentives present an opportunity which could more than compensate for tax increases.

And it goes on to say:

The major budget winners are equity investors.

Well I must say, Mr. Premier, your idea of who the poor are in this country, and who the budget should help, and if it doesn't, who your Minister of Finance should presumably be complaining to. Your idea of who the poor are in the country are not mine. He raised no objection to this budget, this budget which certainly is aimed to assist equity investors, the big winners, people who buy shares. If those are your ideas of who the poor are in this country, you have a remarkable perception of ordinary people.

When it comes to suggesting that the tax system be made more fair, that is, when was a time that every politician doesn't say that? They all say that. Judge by what they do and not by what they say. Judge by what they do and not by what they say.

You, for this federal budget, have said you have no quarrel with the budget which is aimed to assist equity investors, those poor, impoverished group in our society. And you do not — you do not suggest that OAS be protected against de-indexing; only for people who get these very modest incomes and therefore qualify for GIS, for the guaranteed income supplement, that is the message you have sent to Ottawa, both in the letter of the Minister of Finance and in the resolution we passed on this House.

And the speeches you give here tonight will convey no message to Ottawa. You have stated your ground in the letter of the Minister of Finance and the resolution in this House, and your ground is that you didn't have any quarrel with the budget aimed at protecting and enhancing the position of equity investors, and you had no quarrel, you had no quarrel, with de-indexing of old age security pension except as it relates to the very lowest-income people, \$18,000 income per couple. That's the GIS ceiling.

Now, Mr. Premier, I want to ask you again whether, in this new tax system which you're urging, the rich, who pay more, start at \$18,000 for a couple, and the poor, who didn't pay any more, are the people who have incomes of under 18,000 a couple?

(2115)

That's what you have said in your letter and in your resolution. And will say that that isn't true, and will you write a letter, will you write a letter to the Prime Minister urging, urging that the old age security pension not be de-indexing for people with incomes of 25,000, 30,000 or some other figure which you pick, which has some more relevance to whether or not people are well off?

**HON. MR. DEVINE:** — Mr. Chairman, I'll just simply say that we recommended a package of alternatives to the federal government that they could look at with respect to looking at income tax as it applies to de-indexing and everything else. We said that low-income seniors should be protected, and I've made that very clear.

With respect to bargaining for the federal government, lobbying them — I mean, you know — I won't dwell on it, but we asked them to remove the capital gains tax for families, for farmers; that's a big item. And we lobbied hard and we got it.

Freight rate reductions; we got it. Lower interest rates on farm credit loans; and we got it. A new energy agreement to rebuild the west. I mean your administration, sir, and the Trudeau administration took a lot of money out of Saskatchewan. We've renegotiated — put that back; and we got it. A farm fuel rebate and price reduction. We've negotiated with the federal government to help Saskatchewan families.

If you take the sales tax off gasoline in Saskatchewan, who does it help the most? Low-income families. That's the largest tax break in the history of the province. If you give a 100 per cent increase in terms of supplements to seniors, who does that help? Low-income seniors. We've done that. You give them five dollars in seven years: we give them a 100 per cent increase.

Well, capital gains tax; help to seniors; removal of large taxes that you had that we've obviously taken off; encouraging the federal government to make big tax changes; we've done that.

And now you say: well I don't want to help seniors and I'm supposed to go scrap with the federal government over indexing. I said — and I'll make it very clear — low-income people should be protected. I suggested an alternative, a package of alternatives so that they could re-examine it and protect low-income people. And I did say, yes, consider income, and if you can relate it to income, at least we won't be using precious dollars on people who have high income.

And that's what we've done with respect to our rebate program, and you can say that I picked \$18,000 and I'll say no, and we can do that from now until the middle of July. I didn't pick the number; that's your number. I recommended a package of things, and I hope that they look at the package and they do something that's reasonable to help low-income people, and that they consider income as a package.

**HON. MR. BLAKENEY:** — Well, just one last question: will the Premier acknowledge that the figures of 12,000 and 18,000 I have been using are the figures which correspond with the resolution which this house passed at your insistence? Are those GIS ceilings, or are they not the GIS ceilings?

**HON. MR. DEVINE:** — Mr. Chairman, what we recommended in our letters and the resolution — when we look at what we're doing — we're recommending that they offset the de-indexing by helping low-income people, and the opposition voted against it. They don't want to help them.

I said we should offset it and they said no. And then they may come up with figures and say that would be the wrong figure. Well I said don't get hung up on figures. We recommend to the Prime Minister and the Minister of Finance that you look at income as a scale and that's what we recommended — consider it. You saw the letter, I tabled it.

So you want to pick a number, 12, 18, 25, 36 — whatever. I'm saying I didn't pick a number, there's no number in the resolution, there's no number in the letter. The letter to the Minister of Finance says: consider income. Our whole question of or reform considers income. Our rebate package here considers income. That's what's important, that we look at it fairly. You want the status quo exactly the way it was. You want a return to the '60s and the '70s. Well, I believe that Canadians are sophisticated enough now to say we don't have enough money to start giving rebates and continue to give rebates to wealthy individuals.

You want to pick a number? The income tax system solves it itself. As you get more income, you should get less of a rebate. That's what I've recommended, and that's what I hope the Minister of Finance does.

**HON. MR. BLAKENEY:** — Mr. Chairman, I'll try once more. Mr. Chairman, and Mr. Premier, do you agree that the resolution which was passed by this House at your insistence referred to recipients of GIS? And do you agree that the income of recipients of GIS has the following

ceilings: for single recipients, approximately \$12,000; for couple who are recipients, approximately \$18,000. So you agree or disagree with those facts?

**HON. MR. DEVINE:** — Mr. Chairman, I will only agree to this: that we made recommendations to the federal government to look at the entire package of items that go to seniors. It's a basket of items. And he wants to hold me to one particular pension plan, that is, GIS or something else.

We recommended look at all the programs. There are many ways to supplement income to seniors. Look at them all and consider income. That's what we recommended. And I'm not going to have the federal government confined to one program, or another, or another one. They've got a whole basket of them. And we said look at them all, make sure that they're fair, and give some consideration to income. That's what I will agree to.

And I'm not going to agree to the fact that I would have to be confined to \$18,000. I didn't say that. I've recommended, the Minister of Finance has recommended, look at income, and look at tax reform; that's what I'll agree to.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, will you at least do one thing, then? It — in accordance with what I believe you have said, will you, on behalf of your government, send a letter to the Minister of Finance or the Prime Minister, urging that the old age security pension not be de-indexed entirely, except for guaranteed income supplement recipients, but that the de-indexing — which you continue to refer to as a rebate — but the de-indexing be income related, in accordance with the income tax system, and therefore couples with 19 or \$20,000 would not find their pension de-indexed? Would you do that? Because as I understand, that's your position, and it is the position which you have put tonight — is contrary to the resolution which we sent.

You will be aware, Mr. Premier, that the resolution which we sent, over the objection of the opposition, asked the government of Canada to refrain from de-indexing only guaranteed income supplement recipients. It is our belief that other people ought to be protected from de-indexing, people with incomes in the 20 and \$25,000 range and up. We are not quarrelling at this moment with you . . . (inaudible interjection) . . . on whether or not the taper should be in accordance with the income tax system.

Your resolution, sir, didn't call for a taper at all. It said if you qualify for guaranteed income supplement, you get protection against de-indexing, and if you don't, you get no protection. And that is what the resolution said. That is the policy which you have just spoken against, Mr. Premier. You have just said it should be tapered and not drop off at the guaranteed income supplement limit, and I ask you, Mr. Premier: will you, on behalf of your government, write to the Prime Minister and say you don't want the old age security pension de-indexed entirely or de-indexed at the 3 per cent level as proposed by Mr. Wilson for people with modest incomes in the 20,000s, for couples? Will you do that, because you have spoken in favour of it?

The letter talks airily about talking about income. We know what the letter says, but the resolution is very definite. The resolution says if you are entitled to guaranteed income supplement, you shouldn't be de-indexed, and if you're not entitled to guaranteed income supplement, it's okay by you. It's okay by you. And I ask you to write, saying that isn't your view, because you've just stated a very different view.

**HON. MR. DEVINE:** — Well, Mr. Chairman, the hon. member says I should send another letter. Our view is very clear in the letter that was already sent, and I've said it many times here. I said, consider the whole outfit. That's what I said. If you go on, I said, as part of this review, you may wish to give consideration — I mean, I'm giving him ideas — to increasing the guaranteed income supplement beyond the normal indexing levels in order to protect the income of these seniors. This will be consistent with your other strategies. Or perhaps — this is what I suggested

— consideration should be given to restructuring the old age security benefits based on income. Well, I mean, that says it. Or introducing a seniors' tax credit, or amalgamating the old age security and the guaranteed income supplement into one plan based on income.

You know. You're familiar with the letter. I said, consider income. You've got three or four different things that you can play with. Consider them. You want to confine me to one of them. I'm not going to be confined to one. I've sent him a letter. He has many suggestions of how we can improve it for low income seniors, and how he can gradually get out of helping people that have higher and higher income. I've suggested several ways. There's probably many others. If you used your imagination, we both could, I'm sure — we'd come up with ways that we could gradually make sure that higher and higher income people didn't keep getting more and more of a tax break or a benefit or something else.

So I've recommended in the letter. I mean, I'm sure you've read it. The paragraph speaks for itself. The Prime Minister and the Minister of Finance should consider all of the pension programs and consider income while they're doing it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, one last plea. You have said that the Minister of Finance should consider some scheme whereby old age security pensions would be gradually reduced for people with higher incomes. Will you ask the Prime Minister that he not de-index old age security pensions until he has considered your reform, so that while it is being considered, couples with an income of \$18,000 a year will not find their pension de-indexed?

Will you just say, fine, these are our ideas, please consider them, but in the meantime don't take away the pension or part of the pension of pensioners with an income of 18,000? Will you go that far?

**HON. MR. DEVINE:** — Mr. Chairman, obviously the Prime Minister's received lots of advice. The Leader of the Opposition can write the Prime Minister and give him my best shot. We've written the Prime Minister. I will be talking to him again. I'll give him my best advice. If he wants to talk about income levels, he can do that. If I want to talk about income programs and so forth, I'll do that. We've sent a letter. And I mean, let's let the Leader of the Opposition send his letter, and I'll send mine.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I take it that your answer is no, that you will not prevail upon the Prime Minister to delay the de-indexing of old age security pensions, in so far as they relate to people who don't qualify for the guaranteed income supplement. And I take it that's your position. You certainly have given no other position. I specifically asked you whether you would ask the Prime Minister to delay any de-indexing of old age security pensions, and you have not given me a yes. Thank you.

**HON. MR. DEVINE:** — I didn't say that at all. It doesn't take effect until January of 1986, so it's not in effect now. And the Prime Minister says that it is a proposal. It's not in effect today.

I mean, you may try to frighten seniors by saying, well, it's in effect now; it's here; it's there; it's gone. I'll bet you, you might go door to door and say, well your pension's gone.

But that isn't the case. It's a proposal. It's being looked at. Obviously, the Prime Minister's hearing from a lot of people. The Prime Minister says it is just a proposal, and he will look at it. You can write and tell the Prime Minister, postpone it till 1988, if you like, or to change it.

I recommended that he change it. Many people have recommended that he change it. it's my recommendation to the Prime Minister that he does change it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, thank you very much. We've seen some very interesting ideas abroad lately about what's in a budget speech are simply proposals,

and they're really not to be taken very seriously. And I must say that a number of those contained in the budget of April 10th, I wish were proposals and not to be taken very seriously. But regrettably, budgets don't work that way. And if they do, then ministers of finance don't last that long.

The budget which you brought in on April 10th has already had two major blows, two major blows: one costing \$28 million and one costing \$25 million, making the figures at the bottom which we're now debating somewhat fanciful. But none the less, we will carry on with the debate.

(2130)

I ask you, Mr. Premier, whether you are satisfied that the provision in the budget — and it's in the budget of the Department of Agriculture, but it is a broad government policy — satisfied that the allocation of \$900,000 for international aid, \$900,000 for matching grants through the Saskatchewan Council for International Co-operation, is a sufficient effort on the part of the Government of Saskatchewan to assist with development projects which might avoid the famines which we have now seen in Africa, and which we all hope we won't see again?

Will you take the position that that is a reasonable effort, or that we could do better?

**HON. MR. DEVINE:** — Mr. Chairman, as I'm sure the hon. member knows, and the people of Saskatchewan, in fact, the people of Canada and the people of the world know that we have given more aid this year than in the history of the province, something to the neighbourhood of 6 to \$8 million in food aid to Ethiopia.

We initiated the program in co-operation with the Canadian Wheat Board. It is one of the most powerful aid programs, picked up now by the Canadian Wheat Board and permit book holders across western Canada. It was endorsed by the federal government, and I believe they're matching that program, four times that program.

Well it was initiated in the province of Saskatchewan. It just dwarfs any kind of aid that has ever come out of this province. And it is for very needy people in a very worthwhile cause, and we're extremely proud of it. It is an area that needs that focus, needs that target.

Farmers across the country can participate — across western Canada and across Saskatchewan. They just deliver grain on their quota book. If they want 50 bushels to go, or 100 bushels, or 500 bushels, or 5 bushels, they just say so, and they're given a tax credit for it. It's a program that is absolutely novel, unique, and we have had the complete endorsement by every church group.

The member from Morse has been overseas and travelled to Ethiopia to make sure that the grain is going in the right direction, that it gets off the ship and so forth. And I believe it's the Mennonite association has helped put that together. So the churches are delighted with it, and we're only too happy to see a program like that initiated in the province of Saskatchewan and now carried across the country.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, I'll try again. The question was development aid to avoid famine. Now I trust you won't assert that the grain shipped to Ethiopia was to avoid famine. I trust you're not going to make that proposition.

So my question is, with respect to development aid to avoid famine, the famine which was ministered to by the program which you described and other programs throughout the world, do you think that \$900,000 is a sufficient effort on the part of the Government of Saskatchewan to prevent famines of the kind we saw in Ethiopia and of the kind to which people in western Canada responded?



**HON. MR. DEVINE:** — Well, Mr. Chairman, we have decided in this government to be the largest contributor to people in need in the country. I mean our money was number one; I believe Ontario, number two; Alberta, number three, or something in that order. Obviously the NDP in Manitoba were very, very low in aid, compared to our program that goes to people who really need some help. We're very proud of that program. We worked very hard, and a lot of people can contribute towards it.

And we believe that's extremely significant, and it's important, and it's important that the money go there. Now you may want to see the money distributed someplace else, but we believe at this time, with those circumstances, the money should be going there. It's a significant contribution, the highest that has ever come out of the province of Saskatchewan. And it leads the rest of the country in any kind of program like that, and it has the complete co-operation of all the churches, they're very happy with it, very proud of it.

Now, if we were to take money from that program and start spreading it someplace else, I think people would be disappointed. I believe that they think that Ethiopia is the place that it should be, and we're only too happy to put it there.

**HON. MR. BLAKENEY:** — Mr. Premier, I'm going to come back and ask that question again. But I'll ask you one in the middle. In the period ended March 31st, 1985 — pick another date if you like, April 30th, 1985, if you like, but March 31st is the normal financial year — how much did the Government of Saskatchewan, out of its funds, pay for the program which you have described?

**HON. MR. DEVINE:** — I believe that Agdevco picked up the whole thing, the entire sum. Now as farmers deliver grain, that will be offset. So if we're looking at \$8 million in total, and 4 here and 4 by the federal government, then we're looking at a contribution by farmers that will offset the 4 and offset it and offset it as they can contribute. But we put it up front so that the wheat board could take the grain and deliver it right to the people that needed it. And that's the only way we could get it there that quickly. So the boat was loaded, and the 25,000 metric tonne, or something like that, was put in place, delivered, and it's over there doing the kind of thing that it should be doing.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, the question was a fairly simple one. How much money was spent? Whether it went by boat or air, the question is, how much money was spent by the Government of Saskatchewan? I don't mean advance, but how much comes out of the budget?

I looked for it in the supplementaries; I couldn't find it. I'm asking you how much came out of the budget — either the budget for last year or the budget for this year?

**HON. MR. DEVINE:** — Well, it's \$4 million that would come out of the Government of Saskatchewan if the farmers didn't contribute anything. That's what it is. Now as the farmers contribute his grain, and that's offset, and if they deliver all of it or an excess of that amount, it won't cost the government anything.

So we put up \$4 million. Agdevco puts up the \$4 million and then farmers across Saskatchewan can contribute. And if they contribute enough, then obviously the \$4 million drops because they're donating their grain. And if they don't, we pick up the difference. So if they don't deliver any, it costs us \$4 million.

**HON. MR. BLAKENEY:** — I'll try again Mr. Premier. Mr. Chairman, and Mr. Premier, was any money budgeted in the year ended March 31st? Look, Mr. Chairman, Agdevco — I don't find it in the book. Point out for me where the money is in either the estimates or the supplementary estimates.

And I'm simply asking: how much money comes out of the budget? And if the answer is, it

comes out of some other agency, then please tell me. Look, I am asking you very specifically. We're here, Mr. Premier, debating this budget. And I'm asking whether there's any money in this budget — the one we're debating — whether there's any money in last year's budget or any money in the supplementary estimates that covers the program which you describe?

**HON. MR. DEVINE:** — Well, Mr. Chairman, the wheat has been purchased. The combination of the provincial government and the federal government — it's bought, and it's gone. So the wheat board's been paid. I mean, they bought the grain, and it's on the boat, and it's gone.

Agdevco said that they would cover \$4 million. Now I suppose that's government funds through Agdevco. Agdevco does various business and so forth. Maybe we won't get \$4 million back from Agdevco. Maybe they won't have as big a profit, or maybe they'll have some deficit or whatever. Agdevco has committed itself. Therefore the Government of Saskatchewan, the \$4 million we decided as a caucus and a cabinet, this province would go \$4 million. That's what we said.

Now it got the wheat in place. It got the federal government to match it. And it's over there, and the boat's been delivered, and the food is in the hands of people who need it. And the Government of Saskatchewan is good for it — \$4 million.

Now as farmers deliver grain, we can maybe do more. We can certainly cover that off or maybe we can even deliver more. Maybe farmers will have a good crop, and they'll deliver 100 bushels apiece or 1,000 bushels.

We initiated the program, and the Government of Saskatchewan stands behind \$4 million worth of grain purchase. And Agdevco is the agency that handled it and says that they will be responsible. Well, obviously the Government of Saskatchewan is responsible in total for everything so . . .

**HON. MR. BLAKENEY:** — I'll try again. Mr. Chairman, and Mr. Premier, I heard all that, and I asked a very specific question. I take it you're not expecting to pay any of that out of taxpayers' funds? If you are expecting to pay it out of taxpayers' funds, is it reflected in the budget where we are voting those funds?

**HON. MR. DEVINE:** — Well, I'm not sure what else I can say to the hon. member. Agdevco said that they would be good for the grain and they've paid for it. If the farmers donate enough, Agdevco doesn't owe anything. If they don't quite cover it, Agdevco may be 4, 3, 2 million, \$500,000, whatever.

We won't know until the period goes through and the farmer has his full opportunity to deliver all his grain and what it finally will be. But Agdevco said regardless of what the farm will do, they'll back \$4 million. I don't know what else I can add to that.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Premier, you've covered the ground. There's nothing in the budget, and therefore you're not anticipating that it will cost you anything. If you had anticipated it would cost you, you obviously would have budgeted for it, and you didn't, and fair enough. We'll have to wait for a year to know what the situation is, but as of now, you're not expecting that there will be any budgetary expenditure.

Now I will come back to the question, and I ask you again: with respect to not dealing with famines but preventing famines by development programs, or trying to prevent famines then, if you prefer that, do you feel that the \$900,000 is a sufficient effort by your government for the upcoming year?

**HON. MR. DEVINE:** — If the hon. member — maybe this is what he's getting at — wants to know if the money and the priorities that we have in terms of allocation for aid are the same as

his, the answer is no. They're not the same. Well, it's precisely what you asked. You said: is enough money spent?; is \$900,000 enough money spent in preventing famine?

(2145)

Well let's look at a government that needs all the help that it can get. Okay. Let's take the Government of Ethiopia. The Government of Ethiopia spent — I believe the numbers . . . we'll check on them — spent \$200 million on some sort of a celebration of its very extremist, radical governments to prevent famine. And do you think an outfit like that would be at all influenced? Not at all.

We have made the decision here that we're not going to be spending public taxpayers' money on education to left-wing, Marxist-Communist groups that would do something that silly. Ethiopia had \$200 million — evidently the government did; a left-wing, extremist government — to spend on a celebration party while millions of people died. And you're asking me: is \$900,000 enough money to spend in giving it to governments around the world so that they can prevent famine? Well I'll tell you, it makes quite a difference of who you're giving the money to.

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

**HON. MR. DEVINE:** — There are obviously international organizations that you and your philosophy and ideas — you would want to give money. And I've seen the list — I believe it was the Attorney General provided me with a list when he was in charge of that — where here was \$200,000 going to help peasants organize a union or some other kind of education that starts a various kind of movement. Well that wasn't for famine prevention. It was downright politics.

You take a government like Ethiopia that would spend \$200 million in the face of a famine to celebrate a party, and I wouldn't want to be associated with that government and all the taxpayers' money going to that government. Now maybe you would. I mean, you're philosophically aligned that way. Well I'm not, and the majority of Saskatchewan people aren't.

I'll go back. We have priorities for helping people. We spend a lot more money helping people than you did, ever did. We'll give \$4 million in aid to people who need it, and it will not go to governments; it will go to people. The people of Saskatchewan appreciate, as well, a novel idea where farmers can contribute grain, and we initiated it. people across western Canada in the grain-growing area can contribute to it. And it will go to a country — and it's sad to say — it will go to a country that has a government that's left-wing, socialist government. It would make people feel absolutely sick.

And you talk about aids to other countries. We're given money to people that need help, not money to help them organize politically, but money to people, people who need help. It's the same philosophy. And when you'd build a Saskatchewan family of Crown corporations, but you wouldn't help real families, you'd give money to governments all over the world, but you wouldn't help real people.

We have the support of the churches. We have the support of Saskatchewan farmers. We have the support of Saskatchewan people in helping people who need help, not government organizations. So you ask me about \$900,000 and where it should go, and where \$4 million should go. You never put up \$4 million and designed a program where Saskatchewan farmers can participate in that program, and we backed it up. And that's going to people in Ethiopia who need it.

So yes, there's a difference in priorities, I'll admit that. There's a big difference in priorities. We are not going to be helping left-wing, Marxist governments organize, but we're going to help people

who need help, regardless of what the government is.

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

**HON. MR. BLAKENEY:** — Mr. Chairman, I am delighted to hear the Premier make that sort of a speech. I am delighted to hear him say that the Saskatchewan Council for International Co-operation is Communist. I am delighted to hear him say that the Mennonite Central Committee and the Canadian Catholic program for development and peace are Communist organizations.

They are the people — they are the people who have administered the matching grant program for several years. They are the ones who have decided where the money is went. Virtually none of it went to governments. Almost every penny went to development aid projects which they administer.

The Mennonite Central Committee operated its aid program in Somolia. It didn't go to the government of Somolia. It went to the Mennonite Central Committee. And this is the organization the Premier says is Communist. The Catholic Church operates similar aid programs throughout Central America. It doesn't go to the governments. It goes to the Catholic Church's development and peace organization. And the Premier says it's Communist.

Now let me tell you, sir, that is false. There isn't a word of truth in your assertion that the Mennonite Central Committee is Communist. There is not a word of . . . (inaudible interjection) . . . There's not a word of truth.

People are shouting. Let me make this clear. The money that went through the Saskatchewan Council for International Co-operation went entirely through governments. And if any money went to governments, it was the decision of the big players in that: Lutheran World Relief, Mennonite Central Committee, United Church, the Catholic Church — big players. The biggest player was Mennonite Central Committee, as I recall.

. . . (inaudible interjection) . . . That's right. Sure, they won this one. And I doubt very much whether the money that's gong through the Mennonite Central Committee and the grain is going to support Communist governments. And I doubt whether it went there last year when it was going through the Saskatchewan Council for International Co-operation.

And what the Premier has got to explain is how come when he uses the Mennonite Central Committee it is okay, but when the Saskatchewan Council for International Co-operation funnels money through the Mennonite Central Committee it is somehow Communist.

That is rubbish. The Premier knows it's rubbish. The Premier knows that it isn't . . . (inaudible interjection) . . . Now look, are you going to let me speak or not?

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

**MR. CHAIRMAN:** — Order, the Leader of the Opposition.

**HON. MR. BLAKENEY:** — I say, Mr. Chairman, that when the Premier stoops — and I say stoops — stoops to saying that aid that goes through these organizations is going for political purposes, then here is a man who has decided that he doesn't want to put up money for international development, and he's using any excuse to avoid it.

There can be no doubt — there can be no doubt, Mr. Chairman — that money that goes through the Mennonite Central Committee is money well spent. There can be no doubt that money that goes through the Lutheran World Relief is well spent. There can be no doubt, there can be no

doubt that money that goes through the Canadian Catholic Organization for Development and Peace is well spent.

And if the Premier doubts that, if the Premier doubts that, he should indicate which of those organizations he feels is funnelling money to Communist governments — underline “governments,” underline “governments.” If he thinks it’s Oxfam, he should say so. If he thinks it’s Oxfam — and I suppose that organization doesn’t meet his pleasure — he should say so.

Mr. Chairman, I am going to ask the Premier this question. Mr. Premier, which of the organizations which are a member of the Saskatchewan Council for International Co-operation do you say has sent any money to Communist governments?

**HON. MR. DEVINE:** — Mr. Chairman, if I could just briefly respond. It was the Mennonite Central Committee, as I’m advised, that organized the food aid program, the food grains bank that we initiated. And it was the Mennonite Central Committee — and that included, with them included the Baptist Church, the Lutheran Church, the United Church, and the Pentecostal Church — and the program was put together and organized by the Mennonite Central Committee, providing food aid in this food bank program so that we could have farmers participate, other people participate, and it was a lot of money. Four million dollars in one shot, plus matched by the federal government, is \$8 million, and those churches were very happy with it and very proud of it.

Now, you mentioned the fact whether . . . I mean, obviously I don’t have any sympathy at all to an extremist, left-wing government. I don’t. Politically I don’t have any sympathy at all.

I believe that you can find out, and it’s clearly evident in Ethiopia that \$10 million was spent on a statue from Lenin, and that same government that we’re sending grain to takes grain out of the mouths of people and sells it to Egypt, takes the money back, and celebrates a big celebration, and it’s the worst kind of government. I don’t want money to go to governments like that, and people in Saskatchewan don’t want money to go to government like that.

They don’t want money going to extremist governments. Okay? They would like money to go to people, on food. You and I have been through this before in the last two estimates. We want money to go to people who are dealing in agriculture, in food, those kinds of programs. We don’t want them to go to any kind of organizational stuff leading to how to organize yourself into unions. What’s that got to do with agriculture and development and protection of famine?

I mean, we want to make sure that the money goes to agriculture and goes to food, regardless of the governments, to the people. There’s a big difference. We want to make sure it goes to the people. And if you go back and look at our programs — I forget what yours was — was it \$2 million that you put in? \$2.2 million and ours is around a million dollars, and in this case — in this case — up to \$4 million, encouraging other people to match it, which is \$8 million, and it’s going directly to people.

I don’t mind spending the money. I guess we could back up and put it this way: I don’t mind spending the money, four times what you spent. I don’t mind spending that at all in terms of food aid and agriculture, but I will not be spending that kind of money for organizations any place in the world that are extremists or radical or of any tinge of that.

I’ll spend it on agriculture, and I’ll spend more than you did. And I’ll spend it on all kinds of programs related to food aid, and development, and protection, and water, and irrigation, and all those things. But how to organize politically? No.

And I’m not going to. And you can say, well, you would like to, and you can say that others would like to, but I am not going to be spending money on political organizations internationally. I won’t. I will spend it on aid, and I think this speaks for it. I’ll spend millions of dollars on food aid

and agriculture and irrigation.

It's the same principle that I have with respect to trade, and I'm sure that yours is much the same. I don't agree with many of the countries that we trade with. I don't. I don't agree with Communist China, but we trade with China. I don't agree with the Communist government in Russia, but I like the people. We trade wheat with Russia. I don't agree with the dictatorships in South America, but we trade with them.

We trade with people. We don't believe that boycotts, for example, will resolve problems. You can go to boycotts for ever. Pretty soon you wouldn't trade with anybody because you could disagree them politically.

People are the same around the world. They need help. They need compassion, even right in Saskatchewan with high interest rates; they need protection — people need it. And we trade and provide food aid and programs for people all over this world, but we will not start sending money that will deal with anything with respect to organization of political activity. We deal with agriculture, and we deal with aid.

Now I am happy to say that this province is providing a great deal of money in Ethiopia for aid with the support of the Mennonite Central Committee, the Lutheran Church, the Baptist Church, the United Church, and the Pentecostal Church. And we're providing, as well, just under a \$1 million under the same programs that you did, and we're making sure that they're going into agriculture, and food, and irrigation, and so forth.

So \$4 million plus another \$900,000 — almost \$5 million. In isn't that we aren't helping, but we will make sure that the money goes where the people of Saskatchewan have told me. They tell me — people of all churches — make sure the money goes in agriculture, irrigation, those kinds of programs that encourage people, as you say, protect and help them in times of need.

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

The committee reported progress.

The Assembly adjourned at 10:02 p.m.