

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

The Clerk: — On Friday last I received certain petitions at the Table from certain citizens of the province of Saskatchewan. Under rule 11(7) I have checked the petitions and report favourably on the same. The following petitions are hereby laid on the Table for reading and receiving. The petition prayer is:

Of certain citizens of the Province of Saskatchewan praying that the Assembly may be pleased to urge the Government of Saskatchewan to retain the school-based dental plan.

INTRODUCTION OF GUESTS

Mr. Martin: — Mr. Speaker, it's my please to introduce to you, and to the other members of the House, the Canadian women's national volleyball team. And before they stand up and be recognized, I would like to mention that they have now been in Regina in the national training centre for the last four years — a four-party agreement between the Saskatchewan Volleyball Association, the provincial government, the University of Regina, and the city of Regina. The four-party agreement is really unique in the history of Canadian sport.

Mr. Speaker, this is an unusually gifted bunch of athletes who have represented us in international competition for the last number of years. They've just returned from Cuba, in a competition, and will be leaving shortly for the World Student Games in Zagreb, Yugoslavia and then, later, the Pan-American Games in Indianapolis.

Aside from the fact, Mr. Speaker, that they are representing us internationally, they have also made a serious and positive contribution to the development of volleyball in this province by unselfishly going to various communities around the province and developing volleyball to such an extent that we are now probably the best province in the country in terms of men's and ladies' volleyball at all levels of competition.

So, Mr. Speaker, I can't take time to introduce all of them, although I wish I could. I would like to say, however, that almost every area of the country is represented here, as you see, in the Speaker's gallery, from coast to coast.

I would, however, like to introduce the head coach, Dr. Lorne Sawula, assistant coach Steve Wilson, manager Julie Hughes, and co-ordinator Joe Celentano, and ask the ladies and the gentlemen to please stand and be recognized and receive our . . .

Hon. Members: — Hear, hear!

Mr. Calvert: — Mr. Speaker, may I also add greetings and welcome from members on this side of the House to the women's volleyball team. We wish you much success.

We hope that you enjoy question period today. You may see a few spikes over the net here, and we'll be doing our best to ensure that support for your good program continues through lottery funding in Saskatchewan.

Hon. Members: — Hear, hear!

Mr. Hagel: — Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of the Assembly, four people who are seated in your gallery today, Mr. Speaker. They are people who are close to my heart and I'd like to introduce my mother and father who are visiting from Beiseker, Alberta — Joe and Doreen Hagel.

They're accompanied by two of their grandchildren and my daughters, Kristin and Meredith Hagel. I ask all members of the Assembly to join in extending a warm welcome to them here.

Hon. Members: — Hear, hear!

Mr. Speaker: — I would also like to take this opportunity to introduce guests to the House. The guest is Annabelle Kaukinen, seated against the wall, who works in *Hansard* as a tape machine operator. And also I see with her is her director, Mr. Melia.

Annabelle has worked in *Hansard* for two years, and I would like to ask all members to please welcome her here this afternoon.

Hon. Members: — Hear, hear!

ORAL QUESTIONS

Financial Situation of the Province

Hon. Mr. Blakeney: — Mr. Speaker, I direct my question to the Premier. It will be known that there have been many statements issued on the need for financial restraint. My question is to the Premier, dealing with whether or not the legislature and the public can rely upon what you and your Minister of Finance have been telling us about our finances, and about whether or not the finances are as you represent them to be.

In March of 1986, the pre-election budget of your Minister of Finance, it was declared that the budget deficit for the year would be \$389 million. In October, before the election, about half-way through the fiscal year, you, sir, told the people of Saskatchewan that the deficit would be about \$500 million, and I believe I recall hearing about those precise words.

In March, 1987, five months later, you and your Minister of Finance announced that the budget deficit would not be \$500 million, but \$1,200 million — \$1.2 billion.

Mr. Speaker, I ask the Premier: sir, when did you know that the deficit figure would not be \$500 million, but \$1,200 million?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, to the Hon. Leader of the

Opposition, I think I made it abundantly clear at the time of the economic statement what the changes were that would impact on the deficit. And I made it clear that they included, amongst others, an overestimate as to revenues from oil which I have acknowledged on numerous occasions. I . . . and we did not forecast it accurately. I indicated, as well, that certainly other provinces were in the same position. I indicated, as well, that we weren't taking into account certain expenditures or revenues that we had proposed to last year — for example, the liquor board. I indicated the home program, and I gave a rather detailed list of the items, both on the expenditure and on the revenue side, which led to the difference in budgetary estimates and deficit estimates.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. As is obvious from the remarks of the Minister of Finance, many of those items — home program, oil revenues — were fully known to the minister and to the Premier when the Premier made his statement.

And what I ask of the Premier again is: when did you know that the figure would not be \$500 million as you said, but \$1,200 million as you and your minister announced five months later?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Put again to the Leader of the Opposition, I made it abundantly clear what the items were that were not included in last year's deficit.

Again I freely acknowledge not estimating accurately the oil revenues last year. And I think, in fairness, that there were not many people in Canada, and certainly none of the expert opinions that we had were predicting last year that oil would go from \$30 a barrel to 10 and back up to what other level.

Secondly, keep in mind that when we did not take into account revenues, \$100 million from the Liquor Board, we made that decision certainly prior to the economic statement. The question that has been raised with regard to what level of reserve should we have for the production loan program, as I indicated as we debated last year, the budget last year, we had the traditional amount of reserves that the Canadian . . .

Mr. Speaker: — Order. Order.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker, and I direct it to the Premier again. The minister has indicated that one of the major factors in the change from his figures of March '86 to his figures of March '87, was oil royalties and the price of oil. The minister will know that the price of oil was higher in October than it was in March; therefore, that is no reason why there would have been any different figure.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — My question to the minister again, and I direct this specifically to the chief minister, the Premier: when did you know that the figure was not 500 million, but 1,200 million?

Hon. Mr. Lane: — Again, I have some . . .

Mr. Speaker: — Order, order. Order, please. Order, please. Order.

Hon. Mr. Lane: — The opposition may try and shout me down, but I find it a little strange to hear a former provincial treasurer in this province . . .

Mr. Speaker: — Order, please. Order, order. Order from the left side of the House. Let the person answer.

Hon. Mr. Lane: — Mr. Speaker, I find it a little difficult that a former provincial treasurer would project on one day's oil prices to what the estimates were going to be for the full year. That is a rather unwise position to take, Mr. Speaker. I'm a little surprised that the proposition was put forward.

They are estimates as to what we estimated the revenue. They were estimates at last year's budget time, and that's what they are — estimates.

Hon. Mr. Blakeney: — Supplementary, and I address this to the Premier. I will cease asking when you knew, and ask: did you know that in October, when you advised the people of Saskatchewan that this budget deficit would be of the order of \$500 million, did you know that at that time the \$500 million figure had every likelihood of being false.

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order. Order, please. Order. Order, please.

Hon. Mr. Lane: — Mr. Speaker, they want to go back to October. We did not have to take into account, at any time during the year, any differences in what we estimated the losses for the production loan program would be — that's a hundred and some million dollars. Certainly the government didn't have, I don't believe, any idea of the cost of the home program by October.

Thirdly, we did not have to make a decision. We did not have to make decisions on things like the Liquor Board revenues, whether they would be taken into the particular account. I could go on and on that . . . the question of which debts were going to be written down. Those decisions were made, the reserves for the production loan program, etc.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I direct this to the Premier. The minister has indicated that in October, when you indicated that the deficit would be \$500 million rather than \$1,200 million, one of the points of variation was the home program, and as the minister indicated, you didn't know how much it would cost.

Now my question very simply to you is this: when you were quoting a figure of \$500 million, did you assume that the home program would cost nothing, or did you assume that it would cost approximately the amount that it has?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I know, Mr. Speaker, that there's going to be a fair degree of humorous response in the people of Saskatchewan when they gave us estimates as to what their home program — that went anywhere from \$500 million to \$2.2 billion, Mr. Speaker. For them to argue that the 7-7-7 would give a precise number, I think every single New Democratic Party supportee in Saskatchewan . . .

Mr. Speaker: — Order, please. Order, please.

Hon. Mr. Blakeney: — I direct this question to the Premier. My question is this: when you gave the information to the public last October that the deficit would be \$500 million, were you relying upon information supplied by your Minister of Finance, and if so, do you offer any reason why we should believe anything said by that Minister of Finance today any more than we believed it — or at least it was accurate — Last October?

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order. Order, please. Order! I would just like to remind the hon. guests in the gallery that while they are no doubt tempted to enter the debate, the rules of this House are that traditionally members in the gallery do not enter the debate in any way. So I'd just kindly ask you to listen to the debate, but that's about the extent of it.

Hon. Mr. Lane: — Mr. Speaker, the opposition may want . . .

Mr. Speaker: — Order, please. Order! Order, please.

Hon. Mr. Lane: — Mr. Speaker, I again . . . whether the opposition, the public, or anyone else is going to believe the Minister of Finance, of course, is a matter of obviously partisan public debate. And that's where it should be. We are dealing with estimates.

I did give a detailed breakdown of where the deficit numbers came from at the time of the economic statement. I did indicate as well, Mr. Speaker, some of the policy choices that we made, including not taking into account revenues like the Liquor Board; setting aside a higher reserve for the production loan program than even that recommended by the Provincial Auditor. And I could go on and on with those, Mr. Speaker.

The opposition on the one hand said that I was not accurate, and then in the next position say that I've overestimated the deficit, Mr. Speaker.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker.

Mr. Speaker: — A final supplementary, I believe.

Hon. Mr. Blakeney: — Final supplementary, yes, Mr. Speaker. Mr. Speaker, I would like to direct a final supplementary to the Premier.

Sir, you told the people of Saskatchewan last October that the figure would be 500 million. You and your Minister of Finance five months later said the figure would be 1,200

million. There may well be a perfectly valid explanation for that. Would you care to offer that valid explanation from your mouth as to why you said 500 million in October and why you said 1,200 million in March?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I'm sure that the hon. member is fully aware that we are dealing with estimates, and that has been the traditional practice of any legislature under the British parliament.

I do indicate to the hon. member if he is at all concerned about discrepancies in numbers, if that's his word, that I look back and see that the former minister of Finance and now . . . was out — out, Mr. Speaker — some two and a half billions . . .

Mr. Speaker: — Order, order. Order, please. Next question.

Mr. Tchorzewski: — Mr. Speaker, I direct a question to the Premier, who appears to have been muzzled by his Minister of Finance today.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, I ask the Premier: from your silence here today, you're indicating either that the Minister of Finance did not inform you, or you are clearly saying that he misinformed you, or you are saying, Mr. Premier, that you misinformed the public yourself, knowing that the deficit wasn't what the Minister of Finance said it was. I ask you, Mr. Premier, in light of that: will you do the honourable thing and will you ask your Minister of Finance to resign, or will you resign yourself, because you have deceived the public so badly?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, if the argument — if the argument, Mr. Speaker, that a Finance minister, if not precise on his estimate, should resign, I ask, Mr. Speaker, it is very, very obvious that in 1981 the then minister of Finance overestimated oil revenues by \$1 billion, that he overestimated potash revenues . . .

Mr. Tchorzewski: — Mr. Speaker, supplementary to the Minister of Finance. In light of the fact, Mr. Speaker, that the Minister of Finance gave away exactly \$1 billion or more to oil companies because of the tax holiday, will he not admit to the House, Mr. Speaker, that not only in the financial white paper but again in the House today, he is trying to deceive and mislead Saskatchewan people?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — You can make all the political accusations that you wish. All I suggest, Mr. Speaker, is that if one is to look at estimates that have been made, I go back and propose to the hon. member, who was once Finance minister of this province, how anyone could . . . I missed out on oil by \$300 million, not some \$1 billion, Mr. Speaker.

Secondly, Mr. Speaker, the optimistic over-projections of

potash, \$185 million, the actual 37; uranium . . .

Mr. Speaker: — Order, please. Order, please.

Mr. Romanow: — Thank you very much, Mr. Speaker. I want to direct a question to the Premier. My question to the hon. member from Estevan is simple. Did he or did he not in October 1986, in the middle of the general provincial election, declare that the estimated deficit for the province of Saskatchewan, at that time, was \$500 million? Mr. Premier, please.

Hon. Mr. Lane: — Mr. Speaker, and I note very much, Mr. Speaker, that . . .

Mr. Speaker: — Order. Order, please. Order, please. Order. We have one side of the House trying to intervene on the answer from the member, from the Minister of Finance. Please allow him to answer the question.

Hon. Mr. Lane: — I'm pleased to recognize, Mr. Speaker, that finally the Deputy Leader of the Opposition party finally recognized the differences between estimates and actual. I commend him for that.

Mr. Speaker, again, we have given the list of the changes from last year's budgetary estimates. I did that in the economic statement in March. They detail with some degree of precision, I believe, Mr. Speaker, the changes that we have made, including some policy changes which put the deficit higher in the next fiscal year than we had estimated.

Mr. Speaker, I've been over that. The questions are repetitive. They have the right to ask them, obviously. But, Mr. Speaker, we have made it abundantly clear what the change was. I believe that that's a matter of some public debate, as is the matter of debate as to how the now Finance critic could be out so far in his projections.

Mr. Romanow: — Mr. Speaker, I have either a supplementary or a new question to the Premier. By way of very brief preface, I want to say this: we're not asking about the explanation of the Minister of Finance or the government about the wide discrepancy. That, I think, will be questions in subsequent question period.

We are asking what the Premier knew, when did he know it, and what he told the people of Saskatchewan, speaking directly to his credibility. This is something exclusively in the knowledge of the Premier alone. I ask you, Mr. Premier: when did you know that it was \$1.2 billion and not \$500 million? Did you know in October? Give us a simple yes or no, please, on that.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I've indicated now, I believe, on five occasions, Mr. Speaker, this afternoon as to the factors that went into the economic statement which gave us a \$1.2 billion deficit. I indicated where that deficit arose, the factors going into it, including the numerous policy changes.

I've now been over this five times, Mr. Speaker. It includes a higher loan loss provision for the production

loan program. It includes not taking into account the revenues from the Liquor Board that we had proposed to. It included several debt write-downs of some of the Crown corporations. It included an estimate on the home program.

It included several other items, all of which have been detailed, Mr. Speaker. And so, if the hon. member has concern, and I think it would be proper for him to go back to his caucus and find out how his caucus could be out \$1.2 billion on the estimate . . .

Mr. Speaker: — Order. Order, please. Order, please. I would like the member from The Battlefords to please resist these violent outbursts from time to time because it disrupts the whole House.

Mr. Romanow: — Mr. Speaker, thank you very much. Mr. Speaker, I want to direct yet again a question to the Premier, which I say, Mr. Speaker, and Mr. Premier, speaks to the credibility of the Premier, and therefore the credibility of the entire government.

And I say that as a preface to urge you strongly, sir, to clear up the doubts about your credibility and the government's credibility by answering this question, which I shall put to you one more time: is it correct that you knew in October of 1986 that the deficit was \$1.2 billion, but that you deliberately misled the province and the people of Saskatchewan by saying there was only \$500 million? Is that correct?

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order. Order, please. Order. I think, before we move on to the question, the answer . . . I'd just like to caution the member that the term "deliberately misled" is not a term that we normally use in this House. I would like to ask hon. members to keep that in mind in the comments that they make.

Hon. Mr. Lane: — Again, Mr. Speaker, we have been through this. We made several policy changes with regard to the estimated deficit. I've been over several of those policy changes and would indicate that I can repeat them again: a much higher projected reserve for production loan losses — even higher than that recommended by the Provincial Auditor. We indicated, and the hon. member should know, as you approach year end you get a more accurate idea of where your particular resource revenues or your tax revenues or your E&H tax revenues . . .

And so the hon. member should know and be aware of the budgetary process. He showed just a spattering of knowledge there for a minute, Mr. Speaker, and has now fallen away. But as you approach your fiscal year end, you get more and more accurate estimates as to what your revenues and expenditures were.

Mr. Romanow: — Mr. Speaker, question to the Premier. Did your Minister of Finance, or any official in the Department of Finance, advise you at any time during the months of September and October of 1986 that the deficit of the province of Saskatchewan was approaching \$1.2 billion, and not the \$500 million that you stated to the

people of Saskatchewan?

Hon. Mr. Devine: — Mr. Speaker, when I gave an estimate of half a billion dollars with respect to the estimated deficit in the fall of '86, that was the best information that I had or my office had.

Mr. Romanow: — Mr. Speaker, a question to the Premier. Is it the Premier's position that, as the leader of the government and the provincial leader for all of us in the province of Saskatchewan, knowing the size of the deficit over the last four or five years under his administration, that in October of 1986 no official of the Department of Finance — and mark my words carefully, Mr. Premier — no official of the Department of Finance advised you or your Minister of Finance that the deficit was not 500 million but 1.2 billion? Is that your position?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the estimates that we had at the beginning of the year said something in the neighbourhood of 2 to \$300 million. By the fall of the year it said something like half a billion dollars; and by the time we got into 1987 it was in excess of a billion dollars, Mr. Speaker. So I can just reiterate, as my colleague has, as my colleague has, it is an estimate that you're making — an estimate. And the former minister of Finance in '81-'82 did the same. And he was out a great deal. He was out over a billion dollars alone in oil, and he was out over half a billion dollars in the rest of it.

So, Mr. Speaker, it is an estimate that you have to forecast wheat prices, you forecast oil prices, you forecast potash prices, you forecast retail sales. And the best estimate that we had the first six months into the year is that our deficit was going to increase rapidly. And it went from \$300 million up to half a billion dollars. And I said, as far as I know it's half a billion dollars to date, is our best guess. Now when we move on into 1987, Mr. Speaker, obviously we found out that it was a half a billion more than that.

Now when you look at the combination, Mr. Speaker, of estimating what it should be and you look at what other people have done, it is an estimate. And if you can forecast flax prices and if you can forecast oil prices and if you can forecast world potash prices, and not any more accurate than the member that was in the finance portfolio in '81 that was out a billion dollars, well then you know something about the forecasting business that the former minister of Finance doesn't.

INTRODUCTION OF BILLS

Bill No. 9 — An Act to amend The Gas Inspection and Licensing Act

Hon. Mr. Swan: — Mr. Speaker, I move first reading of a Bill to amend The Gas Inspection and Licensing Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 10 — An Act to amend The Boiler and Pressure Vessel Act

Hon. Mr. Swan: — Mr. Speaker, I move first reading of a Bill to amend The Boiler and Pressure Vessel Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 11 — An Act to amend The Farm Security Act

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to amend The Farm Security Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 12 — An Act to amend The Management Accountants Act

Hon. Mr. Lane: — Mr. Speaker, I move first reading of a Bill to amend The Management Accountants Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

MOTIONS

Rule 39

Mr. Upshall: — Thank you, Mr. Speaker. Before orders of the day, Mr. Speaker, I rise pursuant to rule 39 to seek leave of the Assembly to move a motion on an issue of urgent and pressing necessity.

If I may take just a moment, Mr. Speaker, to explain very briefly the issue and why I believe the Assembly should deal with it at once, I will indicate the motion for which I seek leave of to the Assembly.

I have already notified the government, by letter to the Premier this morning, of my intention to seek leave.

As all members will know, Mr. Speaker, the Canadian Transport Commission (CTC) has approved a system of variable freight rates for grain transportation. That decision was made against the recommendation of hundreds of Saskatchewan farmers and others who made submissions. That decision will have grave, long-term consequences for Saskatchewan agriculture and Saskatchewan rural life. It is a bad decision. It must be opposed; it must be stopped; and it can be stopped.

Mr. Speaker, that CTC decision can be overturned by the federal cabinet in Ottawa. The Saskatchewan Wheat Pool, the National Farmers Union, SUMA (Saskatchewan Urban Municipalities Association), among others, have urged the federal cabinet to overturn that decision.

The federal Minister of Transport, Mr. Crosbie, has recently indicated that the federal cabinet will soon be considering this matter. It is clearly, therefore, a matter of urgent and pressing necessity. I believe that the importance and urgency of this matter are such that this Assembly should, with one unanimous voice, call on the federal cabinet to overturn that CTC decision.

Accordingly, Mr. Speaker, I seek leave of the Assembly to move a motion along the following lines:

That this Assembly expresses its deep concern that a system of variable freight rates for grain transportation in Western Canada will have severely adverse and widespread consequences for Saskatchewan agriculture and rural life, and that this Assembly, therefore, calls on the Government of Canada to review and overturn the recent decision of the Canadian transport Commission which permits variable freight rates.

Leave not granted.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Motions for Interim Supply

Hon. Mr. Lane: — Thank you, Mr. Chairman.

Resolved that a sum not exceeding \$1,197,269,100 be granted to Her Majesty on account for the 12 months ending March 31, 1988.

Mr. Chairman, this obviously is interim supply. The numbers are calculated as follows in general terms. That's the special warrants to date plus, the month of July.

Mr. Tchorzewski: — Mr. Chairman, I would like to make a few remarks on the motion because I think this is a motion that is another Saskatchewan first.

This province has been known, and people are very proud in Saskatchewan, for having been the innovators of many important things, many important programs, many important management successes which were witnessed until 1982. All of those things Saskatchewan people and members who have had the honour to sit in this House have been able to point to with some pride and say, Saskatchewan was first.

Today we have a first, Mr. Chairman, of which no one can be proud, least of all the Minister of Finance. We witnessed here today, Mr. Chairman, a spectacle which was never would have thought was possible in this House, when questions addressed specifically to the Premier, time and time again, the Premier refused to answer. That's carried on, that kind of arrogance is carried on in this resolution which we see here today. It's a first, Mr. Chairman, to have an interim supply resolution and then a Bill which covers a period retroactively of some four months since the beginning of the budget fiscal year on April 1 of 1987. That is a first for Saskatchewan.

That is a shameful first — that is a shameful first — for a lot of reasons: one, Mr. Chairman, because it underlines all of the desire of this government opposite to hide from the people of Saskatchewan the facts, to hide from the people of Saskatchewan the facts of how their tax dollar has been spent during this period of time. It underlines, once again, the fact that the *Public Accounts* have not been tabled until today for the year 1985-86. We have here a situation

where the taxpayers' money, and the taxpayers know only too well — every family in Saskatchewan knows only too well — that this government has taken more and more money out of their pockets since its election in 1982, while providing fewer and fewer and more inferior services.

Now in this interim supply Bill, he and she and the families of Saskatchewan are asked to pay more. But since over two years ago, this government has made expenditures which it did not make public and did not show the taxpayer where it was spending their money for almost two years. That's another first in Saskatchewan, Mr. Chairman.

It might be of some interest to point out that since 1945 until 1982, that the latest that any budget was ever presented in Saskatchewan was March 24, and that was in 1976, as best as I can find.

I have every year that a budget has been presented in this legislature since 1945 until 1987. And the latest, until this government, until its election, the latest a budget was presented was March 24.

Now I say to you, Mr. Chairman, there is good reason for that. There is good reason for that, the reason being that people of Saskatchewan who depend on government funding needed to know so that they could do some planning, so that they knew where they stood. Municipalities needed to know so that they could set their mill rates. School boards needed to know so they could decide what kind of education they could provide for their children. All kinds of organizations, non-profit groups, needed to know so that they could prepare for the forthcoming year.

But this government, which knows nothing about planning, knows nothing about vision into the future, has tried to put its incompetence and its mismanagement stamp on all of the rest of society by withholding this budget, in this fiscal year, until June 17.

Mr. Speaker, that was unforgiveable. Now there are reasons for that. The reason why we have this interim supply motion here today, some four months into the new fiscal year, is because this government tried to hide from this legislature and tried to hide from the public of Saskatchewan. It has this cynical view that if you have a session in Saskatchewan in the summertime, that nobody will notice what goes on.

That's why they have done it. And the member from Weyburn who keeps chattering away from his seat will know, Mr. Speaker. He, who sits in cabinet, will know that the reason this interim supply Bill, another first in Saskatchewan — want to cover retroactively until April 1 — is here is because this government hasn't had the courage to stand up and tell Saskatchewan people the truth.

It deceived them in 1986; it deceived them during the election in October of 1986; and it's been deceiving them ever since. And so here we are today with this interim supply motion, and this interim supply Bill, at a time that is a first in Saskatchewan.

Now it may very well be we might have had an interim supply motion by the minister which would have been five or six or seven months, except for one thing, and that is that finally, after work by this opposition, there was a legal opinion which said clearly to the government, you better have a budget because what you're doing since April 1 is illegal. That's why we're here, otherwise we may not be here still.

(1445)

Oh, I now, the Premier stood up right after the Legislative counsel made the write up and gave the legal opinion. The Premier said, no problem. He said, I don't care. Who is this person? The member from Kindersley, who's had to apologize in this House, tried to make some comment about this Legislative Counsel being the lawyer of the opposition – such nonsense.

The Legislative Counsel, who was appointed by this Legislative Assembly, serves all members of this Assembly. That's why the member for Kindersley had to apologize for his comments that were made. They were not . . . and those comments were not lost sight of by a lot of people. Even editorials from one end of this province chastised the member from Kindersley for his indiscreet remarks. Editorials confirmed what lawyers and constitutional experts and members of the New Democratic Party opposition had been saying, that the government was acting illegally.

Now it's somewhat ironical that here is a government who speaks of law and order. They talk of law and order, but they themselves set the worst example of all and break the law — and break the law — and provide, through special warrant, provide through special warrant which we're going to pay for now with the taxpayers' money through this interim supply, an expenditure of over \$600 million, simply by the signatures of some cabinet ministers.

And to show, Mr. Chairman, how incapable and unconcerned and irresponsible the Premier was in all this process, many of those special warrants were not even signed by him as the president of the Executive Council.

We're now asked to pass this Bill to pay that expenditure. There are special warrants, Mr. Chairman, signed by one minister. The member from Kindersley signed an \$18 million special warrant. Now most people would not consider that to be loose change. He signed a special warrant for \$18 million for the Department of Highways, and he signed as Acting Minister for the Department of Highways because the acting minister was not around. He didn't even know what was going on, as usually is the case with this minister.

Then on the second line on this order in council, Mr. Chairman, this member from Kindersley, who appears to become a very powerful man after being dumped from the position of minister of Finance, he signs as Acting Minister of Finance, because the Acting Minister of Finance was obviously too busy to know that he was going to spend another \$18 million. No wonder he spent 208 per cent . . . or made a mistake of 208 per cent on his

deficit projections, because he did not even take the bother to look at the expenditures which his ministers were making, in this case \$18 million in one special warrant, so that the member from Kindersley had to sign on his behalf.

And finally, guess who the third signature was? Eighteen million dollars, the Premier did not sign it as the president of the Executive Council; it was signed by the member from Kindersley — signed as the Acting Minister of Highways, signed as the Acting Minister of Finance, signed as the Acting Premier — all three of which couldn't give a dam about what was happening in Saskatchewan because they were too busy going off to Japan at the cost of \$200,000 on the part of the taxpayer, was where the Premier was when the first cuts were announced. They were too busy, as the Minister of Finance usually is, trying to figure out how do you add two and two and get three.

They were too busy, as the Minister of Highways is, and I don't know what he does because he never seems to be anywhere when he's needed. One minister, without even a cabinet meeting, signs those kinds of order in council. That's the kind of irresponsibility that we have seen, and no wonder people are asking: where did all the money go? Where did my tax dollar go? Why did any taxes increase at the record level since 1982 — record in Saskatchewan history — while I'm getting less and less and less in the services that government provides. That kind of irresponsibility, Mr. Chairman, we are asked now to approve in this interim supply.

Well I want to say to you, Mr. Chairman, and I want to say to the members of the House and to the public of Saskatchewan that we're not going to approve that irresponsibility. We're going to approve the interim supply. We're going to provide leave for that because there are people all over Saskatchewan who have waited too long. There are people all over Saskatchewan who did not get their appropriated funding from this government because there was not a budget; because they had to wait for orders in council so they could find one minister to sign for two others — in the example I used, for three others.

We're not going to let those people wait any more. But we want to make the point, Mr. Chairman, as Saskatchewan people from one end of this province to the other have been making, that this kind of deception and irresponsibility is not acceptable in Saskatchewan; this kind of mismanagement which took this province from a surplus from \$140 million in 1982 to an accumulated deficit of \$3.4 billion in 1987 — that's just not acceptable.

And that's why today, Mr. Chairman, the Premier didn't have the backbone to answer the questions which were directed at him about the deficit. Now this is leadership? Is this leadership? It is certainly not. It's that kind of lack of leadership, it's that kind of I-don't-give-a-darn attitude, it's that kind of arrogance that puts us in a situation where we have to have another first in Saskatchewan. And that is the first time we have to improve retroactively an interim supply Bill to the tune of something like four months.

Now, Mr. Chairman, why didn't we have this session? Why didn't we have this budget? Now I know that the Minister of Finance has been going around arguing – oh, but they have to take so much time to look at all of the different operations of government. What nonsense! Every year the treasury board – oh, he probably doesn't even know he's got a treasury board – but every year the treasury board scrutinizes every department line by line. Every year the treasury board says through the Minister of Finance to the various departments, bring your proposed expenditures to the treasury board on which there are members of cabinet, and we will deal with them.

I recall when it was done that way. I recall when it was done that way from 1971 until 1982. I recall particularly well when it was done that way for the three years which I had the honour of being the Minister of Finance. Every single cent that was expended was accounted for, and every department's programs were reviewed. And in that period of time, Mr. Chairman, the budget was always timely. It wasn't a review that they were really doing that held up, that held up this process. It was simply a political agenda that the Minister of finance and his colleagues in cabinet were trying to implement.

Now, they don't have time to look at the taxpayers' interests. They don't have time to bring in a budget on time. But they've got time on Friday, I am told, when the Premier isn't here to answer questions which are asked about the concerns of the people who've had their children cut off from the dental program, the Premier who is too busy out somewhere on a golf course, too busy to be here answering the question.

Mr. Chairman: — Order. The members are not supposed to make reference to people's absence or presence in the legislature. I'd ask the member to keep that in mind.

Mr. Tchorzewski: — I will keep that in mind, Mr. Chairman. The question is: was the Premier at the golf course? And the way he acted in this House today in question period, he might as well have been in the golf course.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Chairman, we are going to have some questions to ask of this Minister of Finance when we get to the committee on this Bill, because he is going to have to explain what it is that his government has spent over \$700 million without the authorization of this legislature. And he is going to have to explain where he proposes to spend some more.

While we are now going to pass some money to pay some of the bills for an almost destroyed dental program, and we're going to pass on some interim money to pay for a destroyed program under the prescription drug plan – and the list goes on and on – friends of the government, friends of the government which this Bill is going to pay the salaries of and other perks are riding high on the hog.

This interim supply Bill doesn't pay the salary of Paul Schoenhals in the Potash Corporation of Saskatchewan, but indirectly it does, because if they were not wasting \$150,000 on Mr. Schoenhals' salary in the potash

corporation, then the potash corporation might have that money available to pay as a dividend to the taxpayers and the treasury of Saskatchewan. So indirectly this interim supply Bill, Mr. Speaker, is going to pay for the high living, for the high living of an ex-cabinet minister whose constituents on October 20 decided that he should retire because he was not doing an adequate job.

Now this Bill, Mr. Chairman, does not pay the similar kind of salary for one George Hill, the president of the power corporation, directly. But indirectly, I'm telling you, because that is another expense to the power corporation and may become a burden on the treasury; it is paying the salary and the high living of one George Hill, former president of the Conservative Party, former friend of the Premier, and constituent of the Premier, and presently a very close friend of the Premier, Mr. Chairman.

But I want to say that with this interim supply the taxpayers of Saskatchewan are going to pay the bill for the cost of hiring one Tim Embury, the former member from Lakeview, the former minister who the electorate also said they didn't want to have anything to do with. And we don't know how much he's getting paid, but we know that the firm he's working for is probably getting paid well in excess of \$500,000 for studying how to down-size the government.

The first place that they should start with down-sizing the government is, get rid of some of this patronage that has become so rampant in Saskatchewan, and they really will have been doing something worthwhile.

This Bill, Mr. Chairman, because it's money the Liquor Board and the liquor commission won't put back into the treasury, indirectly pays a salary of one Keith Parker, former MLA for Moose Jaw North. He didn't do bad by defeat. He didn't do bad by defeat, you know; he's getting something like \$50,000 a year as an executive assistant to the head of the Saskatchewan Liquor Board. What a double standard!

They can't find \$34,000 for the Voice of the Handicapped, which does a terrific job, a necessary job. They can't find \$34,000 for the Voice of the Handicapped, but they can find \$50,000 to pay the salary of a defeated MLA from Moose Jaw North simply because he's a Conservative MLA.

Mr. Chairman, the public may vote to defeat some Conservatives, but they just can't get rid of them – they just can't get rid of them. They still have to be given the bill for keeping them living high on the hog.

This interim supply Bill, Mr. Chairman, is going to pay for the salary of one Paul Rousseau in London. This interim supply Bill, because special warrants had to pay for some of his salary, helped to sustain one Sid Dutchak, who is also a defeated cabinet minister. And the list goes on. And this whole patronage sets the double standard which the public of Saskatchewan will just not accept, and nor should they accept, Mr. Chairman, because it's not fair.

The public understands that you have to deal firmly during times when things are tough. But the public

understands and will not accept when they have to be second class when it comes to what they have to pay, and what friends of the Conservative Party have to pay.

(1500)

Now, Mr. Chairman, some time ago, on January 27, 1987, when the Premier was talking about expenditures of government, he made a very telling comment which I think deserves repeating. And the headline in the Prince Albert newspaper of January 27, 1987 said, "Lean, Mean Province Premier Devine's Goal." He went on to say that Saskatchewan must become leaner and meaner to tackle world economic conditions — now Saskatchewan has to tackle the world economic conditions. Well, Saskatchewan . . . He said this at a Saskatchewan Urban Municipalities Association regional meeting.

Well, I want to say, as my colleague from Riversdale says: Mr. Speaker, we're meaner. Certainly this government is meaner. But it's selective in its meanness; it's selective in its meanness. It wasn't mean to George Hill. It wasn't mean to Paul Schoenhals. It wasn't mean to Dave Tkachuck, who runs a mailing service now, former special assistant of the Premier, who's getting millions of dollars from the Saskatchewan taxpayer through this interim supply Bill. Or Dome Advertising.

We see once again, and we're paying; the Saskatchewan taxpayer is going to have to pay through this Bill, millions of dollars being spent on advertising which you hear on the radio several times every hour, every day—full page ads in the newspapers. Television ads, which don't come cheap — millions of dollars. Now, the Saskatchewan taxpayer is asked to pay through this interim supply Bill for those expenditures, while the government is preaching restraint.

What kind of restraint is that? It's restraint on ordinary citizens. It's restraint on the part of most of the constituents of Regina North East, or the constituents of Quill Lakes, or the constituents of Wascana. It's restraint on their part. And even Eastview. But it's not restraint on the part of friends of the government. It's not restraint on the part of high-flying cabinet ministers who, between all of them, have political staff of 183 people — 183 people on their political staffs who are getting paid something like \$10 million a year. And these people preach restraint?

The children of Saskatchewan aren't any longer going to have a superior dental plan. Children over the age of 13 won't have any at all. But those high-priced, political assistants in those ministers' offices, who are sent away to Saskatoon for a weekend of wining and dining so that expensive consultants from all across Canada can come in and tell them how to sell the budget cuts to the press — at a five-star hotel. This is fairness, Mr. Chairman? I don't think it's fairness. That's why this budget is being rejected by the people of Saskatchewan.

Now, the Minister of Finance, he pleads. He pleads. He says, I didn't know what I was doing. I'm surprised he hasn't said, the devil made me do it. And maybe he did. But I suspect it was the Premier who made him do it. It was this leadership of this Premier who made him do it.

The Minister of Finance pleads, he says, oh but things have collapsed around my ears. I didn't know that we weren't going to have these kinds of revenues. And he pretends in the way he says it that they have had this problem building up since 1982.

I want to show you, Mr. Chairman, that that's not true. That's not true. In the years from '82 to 1985, this government had as much resource revenue, each and every one of those years, as did the former New Democratic Party government in the last few years before 1982. In 1981-82, Mr. Chairman, the resource revenues was \$760 million. In 1982-83 there were \$770 million during their term. Actually went up. In 1983-84 there was \$760 million again. In 1984 and 1985 the revenues from resources to the treasury of Saskatchewan was \$865 million.

And yet these incompetent people, these uncaring people, these people who know nothing about mismanagement, ran deficits to the tune of hundreds of millions of dollars, so that by the end of 1986 we had an accumulated deficit of some \$2 billion. And it wasn't necessary.

The only reason that that bill was put on the backs of Saskatchewan people, why there were mortgaged — and every child that is now born in Saskatchewan immediately picks up a debt of \$3,400 — the only reason that is the case is because they deliberately made political decisions which had nothing to do with responsible government.

Now I would like some time for the Minister of Finance to explain this. Because now we are having . . . Part of this interim supply Bill, Mr. Chairman, is to pay for the interest on the debt that has been incurred by that Minister of Finance, the member for Qu'Appelle-Lumsden, and by that former minister of Finance, the member from Kindersley.

Why will they not explain, and hopefully they will, that in 1982, when the value of oil pumped in Saskatchewan, out of the ground, gone for ever, was \$1.1 billion, Saskatchewan had revenues of \$700 million, but in 1985, when the value of the oil pumped out of the ground in Saskatchewan, that's gone for ever, was \$2.4 billion, our revenues were only \$650 million? Why?

I'll tell you why. That was the case because those people in the Conservative Party felt obligated to pay off a political debt to the oil corporations who made massive contributions to them during the election campaign of 1982 — a political debt of \$1 billion between '82 and '86. Now think. Just think what \$1 billion could have done for Saskatchewan people. We wouldn't have had the deficit that we have today.

You would think that after the election they would have learned their lesson. But no! Do you know what their first cut was, in December of 1986? The first cut was cutting oil royalties to the oil corporations once again. After they cut the royalties to the oil corporations so they'd get three years of tax holiday on wells drilled, even if the price of oil increases to 30 or \$40 a barrel — three years of tax holiday they cut in December. That was the first cut.

And how were they going to pay for it? They're going to pay for it by cutting out the dental program for our children. They're going to pay for it by increasing the rates for people who are living in our nursing homes. They're going to pay for it by telling people who are now going to have to, out of their pocket, pay 500, 1,000, \$1,300 for prescription drugs — that's how they're going to pay for this gift to the oil companies.

How are they going to pay for it? Well they've cancelled the farm purchase program, which they were so proud of when they introduced it. Now, my goodness, is the Premier now saying that the agricultural economy has improved so much that it's no longer necessary? Is that what he's saying? What a betrayal.

What a betrayal, at a time when the farm and the agricultural economy's probably worse than it's ever been. That's when the Premier and this Minister of Finance choose to cut out the farm purchase program. Why? Because they have got to pay for the gift to the oil corporations which was introduced in December when they provided a further cut, a further cut to the oil royalties.

Mr. Chairman, the unfortunate truth here in all of this is that this government is systematically tearing down the whole fabric of life in this province as it has developed over the past few generations. It appears that anything not moulded in their own image is not good enough to keep around.

All that the Minister of Finance can do, when he could have had revenues of \$500 million under a real tax reform at the federal government level, all he could do when the Minister of Finance in Ottawa, another Conservative, stands up and brings in a farce for a tax reform is say, good thing. He praises it.

He praises it even though people who are earning low and moderate incomes are going to have, they pretend, a saving of \$320, but in fact they're not going to be. They're going to lose money because they're going to pay more in the sales tax. At the same time, people of incomes of over \$100,000 a year are going to save over \$4,000. And all this Minister of Finance can do is stand up and say: good thing, Michael Wilson. Good thing, Brian Mulroney.

What a price we have to pay. What a price we in Saskatchewan have to pay for this federal government bail-out of this Premier during the election campaign. We're now going to be paying more and more and more. That's not fairness, Mr. Chairman. This interim supply Bill that we're considering here today is a disgrace.

It's not a disgrace because it's going to provide money to needy people in Saskatchewan, and pay the wages of public servants, and provide grants to municipalities, and provide money for hospital boards and school boards. That's not why it's a disgrace.

It's a disgrace because it is a first time in Saskatchewan history that we have to have an interim supply Bill that covers a period all the way to April 1, because this government chose to hide from the public of

Saskatchewan and would not introduce a budget because it wanted to have a session during the summer when, they thought, nobody would pay attention.

And I want to say here today, they have misjudged badly, because the public of Saskatchewan knows, and the public of Saskatchewan is questioning, and they do not agree with what's happening, and they will not forget next fall. They will not forget in 1988, when there is a federal election, and every Conservative federal member of parliament is in danger of being defeated. And they will not forget in '89 or 1990, whenever the next election is come.

Mr. Chairman, this budget and this deception of this government will eliminate the Conservative Party from any kind of profile in Saskatchewan for a long time to come.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now we will support the motion. As I said, we will not oppose, we will not oppose the interim supply, but we will not support . . . And the member from Kindersley laughs, and so he . . . It's funny to him. It's funny to him that during his period of time when he was the minister of Finance is when this crisis was created.

Now that member from Kindersley who laughs at the people of Saskatchewan was the one who stood in this House and described his budget of 1985 as the most intelligent budget. Now, Mr. Chairman, that most intelligent budget presented by the minister of Kindersley was so intelligent, do you know what happened to him? The Premier couldn't stand the heat, and he had to demote him out of the Department of Finance to some other department. And today he sits in his seat, he sits in his seat, and he thinks that his mismanagement was funny.

Well it may be funny to him, Mr. Chairman, but it's not funny to Saskatchewan people.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Thank you, Mr. Chairman. I want to enter into this debate very briefly to say that in my judgement, Mr. Chairman, this motion is about one thing, and one thing only, essentially, and that is the credibility of the government.

What this motion speaks to is whether or not we, as the legislators of this Assembly, and those who are the voters, the electorate of the people of the province of Saskatchewan, the public of Saskatchewan, are entitled to believe in what the government says and what it does with respect to, not only fiscal matters, but matters generally. This debate is, in my judgement, a debate about the credibility of this government.

(1515)

Let's take a look at this. We have here an interim supply motion, Mr. Chairman, which is four months now, three of which are retroactive, in effect — four months late. Everybody in Saskatchewan knows that the tradition and

the history of our province has been to introduce our budget some time in March, to call the legislature for February/March, and thereafter use interim supply as the session goes on until it is completed by the end of June, or approximately around the end of June.

On this occasion, and probably on one of the rarest occasions, if ever before – I don't think it has happened in Saskatchewan history – we have witnessed this government delaying the process of the budget being introduced and the session being recalled for a period of up to nearly four months.

Mr. Chairman, I say that that speaks to the credibility of this government. The retroactivity aspects of this resolution speak to the credibility of this government. We are asked by this interim supply motion, Mr. Chairman, to approve the estimates, in effect, to approve that the forecasts of the Minister of Finance for the current year, or portion of the current year, are something that we can believe in, that we can trust.

I tell you, Mr. Chairman, I have some serious doubts about that, based on the proceedings of the last four months, and even perhaps the last six months. Here we had in the budget of March of 1986 an estimate by the Minister of Finance that the deficit it would be about \$00 million. We find out that the deficit is \$1.2 billion, which is missing the mark by at least, as we know, \$800 million.

I say, Mr. Chairman, that it is incredible that any treasurer, be it corporate treasurer or a private treasurer, would be so wildly off base in the estimates that we are now asked to approve a portion thereof, as this government has proven itself to be. There is, in my judgement, no credibility. This motion, this resolution, is an issue dealing with the credibility of the government.

Earlier, Mr. Chairman, there have been questions asked of the Premier as to when his government – and he is the leader of the government – knew about the desperate financial situation for the province of Saskatchewan. Summarized briefly, the questions are of the Premier: when did he know; what did he know; who told him; what actions did he direct the government to take to deal with this crisis?

I think it's fair to say that the spectacle of question period today speaks to the credibility of this government and of this Premier and of this administration. The failure to answer these questions which deal with knowledge, not the way the Hon. Minister of Finance tried to explain it away, the discrepancies as between his estimates – that's another rebate for another occasion, perhaps even during this debate, I don't know—but the issue of trust, the issue of what it is that we as legislators are expected to believe when a motion of this nature is introduced, is what is being spoken to and addressed to.

It's an issue of credibility. Can we believe the financial forecasts of the Minister of Finance? Can we believe the assurances of the a premier with respect to estimates and deficits and budgetary forecasts and fiscal projections? Can the people of the province of Saskatchewan accept and rely upon the representations that any minister of the Crown might make? That's what this resolution is all

about.

We are being asked by this four-twelfths estimate of interim supply to accept certain assumptions pertaining to the credibility of this administration. And I say to you, sir, Mr. Chairman, that the whole history of this session, this particular session since the election, the wildly missed forecasts; the delay in calling back the House; the question of the special warrants of questionable lawful acceptance, of dubious legality; the terribly miscast forecasts, wildly off base – not close in a marginal way, but wildly off – raised some fundamental questions as to competence and/or credibility of this government. That's basically the situation.

Either the Premier and the Minister of Finance knew that we were \$1.23 billion in the hole but didn't tell the people of Saskatchewan in October of 1986, which is a condemnation of the government; or in the alternative, the Premier and the Minister of Finance did not know that we were 1.2 billion in the hole, which is an equally condemnatory position for the Premier and the Minister of Finance to be in.

Either way, the election of 1986 has proven to be a cruel fraud, almost a cruel hoax, perpetrated upon the people of Saskatchewan. Promises were made willy-nilly, some of which have been maintained and kept, but some of which have resulted in serious cut-backs elsewhere – the dental technicians' programs, drug plans. I won't belabour all of those which are now well-known to the people of the province of Saskatchewan.

So I say to you, Mr. Chairman, sir, that when we are debating this motion for interim supply we are talking about something which is at the core of any government's *raison d'être* in a sense; it is its credibility. We may disagree in terms of ideology or policy. Obviously we do – the official opposition and the government. But the one thing which sustains government is credibility. That when the Premier and the Minister of Finance say something to the people of Saskatchewan inside this House and outside this House, it ought to be believed and it ought to be believable. Because if it isn't believed or it is not believable, as we argue this resolution casts doubt on, based on these actions of the government, then the government has lost its moral authority to govern. It's lost its moral authority to impose.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Because look at it, Mr. Chairman. It may be argued that the government is in a terrible fiscal position. Obviously it is in very dire straits. If it's asking the people of Saskatchewan to tighten our belts, if it's asking us to take the outrage of cut-backs, it's got to do so with the moral conviction and the moral authority which allows us in the interests of the province of Saskatchewan to accept – perhaps not willingly – but to accept that fate and to pull our load to get us over this time.

But if the government by its profligate expenditures, if the government by its mismanagement and its waste, if the government by its misleading statements in the election period or elsewhere destroys its credibility, then it is virtually impossible . . . No, Mr. Chairman, I'd even say

the people of Saskatchewan should legitimately ask why it is they're called upon now to do their bit, to do their share of trying to pull us out of this catastrophic economic circumstance.

And to me, Mr. Chairman, as I take my place, this resolution is an argument and a discussion about the credibility of the government. I invite all members of the House, on the government side and on this side, to examine carefully under the close scrutiny of this debate, whether or not the actions and the statements of the province of Saskatchewan, as exemplified by its Premier and the Minister of Finance, are believable. I ask them whether or not in the future we should believe them. And because I have some very serious worries about those questions, Mr. Chairman, I feel that it's important that I voice them. And I raise them, and I continue to do so, because members of the voting public in my constituency are asking me these kinds of questions about what the Premier knew, when he knew it, who told them, and what actions they took, which is what this finance motion is all about.

For me, Mr. Chairman, the Minister of Finance and the Premier have got a lot of explaining to do in order to convince me and members of the voting public in my constituency that this kind of resolution and action, in the light of the history, is totally acceptable. Thank you, sir.

Some Hon. Members: Hear, hear!

Ms. Simard: — Mr. Chairman, I want to just convey some of the concerns that have been expressed to me over the last three or four months by constituents from Regina Lakeview, by people in Regina, and by people all over Saskatchewan, as a matter of fact.

There has been a very serious and grave concern expressed about the lack of accountability of the government, Mr. Chairperson. This lack of accountability doesn't just arrive; it's not a recent thing. We saw in Bill 5 prior to Christmas – the Bill 5 that was introduced and passed by this government – a movement towards reducing accountability by the government to the people of Saskatchewan.

In this reorganization Bill which allows the government to reorganize and dismantle departments and create new ones, behind cabinet doors, that's not open to the public, it has a very profound effect in reducing accountability to the public. Now how is the government attempting to do this? We now see a budget that is delayed some three or four months beyond the normal course of when a budget would be introduced. Why are they attempting to reduce accountability to the government?

I ask you, Mr. Chairman, why? Why would a government not want to account to the public? Well I think the answer is very simple, Mr. Chairman. I think it's because they are ashamed of many of the things that they've done, and that what many of the things they have been doing are wrong in terms of priority, and they're concerned that the people of the province will be so upset with them that they may not re-elect them at the next election.

Accountability to the public sector, Mr. Chairman, is

basic and fundamental to the democratic system. It prevents abuse by the executive arm of government; that's why we have it. That's why our laws are written up; that's why tradition has dictated that there be complete accountability by the executive arm of government at appropriate times – not four months after the fact, but at appropriate times.

Proper accounting to the Legislative Assembly allows members of the Legislative Assembly to perform their duty, Mr. Chairman; their duty of scrutinizing the executive arm of government; their duty of scrutinizing governmental spending, which is a very major duty, a very major duty of each and every member in this Legislative Assembly. It's fundamental to our parliamentary democratic process, and in the last few months we have . this accountability has not been there; we have not been allowed to perform our duty in the manner in which we should, or that we would like to.

The end of the fiscal year, as you know, is March 31, and we didn't have a budget tabled until June 17. And as my colleague, the member from Regina North East, indicated, that is a first in the history of Saskatchewan. And why was this done? It was done also under questionable legal circumstances. As you know, we have a legal opinion that says that the failure to call the legislature, government spending by special warrants, is probably illegal. But why did the government wish to risk, wish to risk the possibility of committing an illegal act? Why did they want to do that?

I suggest to you, Mr. Chairman, the reason why they wanted to do that was because of their political agenda. Their political agenda was more important to them than following parliamentary tradition, than being accountable to the public, and more important than doing what was right for the people of Saskatchewan, and that was to come forward and come clean.

The government is holding a trust, Mr. Chairperson, holding a trust. It is spending other people's money. It's spending your money, it's spending my money, it's spending the money of the people of Regina Lakeview, and money from people all over Saskatchewan. It's holding a trust. It has an obligation to perform that duty to the best of its ability. And I think its actions of the last three or four months have certainly put that into question.

Mr. Chairperson, special warrants are exactly what they're called; they're special. They're intended for unexpected expenditures – not to replace a budget and continue governmental financing on an ongoing basis over a period of three or four months, simply to serve the political agenda of the government.

And if we look at The Department of Finance Act, and in particular section 33(1), the wording makes it perfectly clear that special warrants are only intended for unexpected expenditures. Can one say that when a government decides, for political purposes, not to call the legislature, not to call the session until the summer-time so people are interested in what's going on, is that an unexpected expenditure? Hardly! Hardly, Mr. Chairperson. That's dishonest on the part of the government to suggest that those were unexpected

expenditures, because they weren't. They knew full well what they were doing.

(1530)

After spending some \$900 million, or 700 million plus – I'm not sure of the exact figure – we heard the Premier today, Mr. Chairperson, say in question period, or leave us with the impression in question period, that a few hundred million here or there didn't really matter; that these sorts of inaccuracies happened on a regular basis. Well that's not so, Mr. Chairperson, and the people of the province of Saskatchewan aren't going to believe that sort of answer.

It's also important to note, I think, that in *The Globe and Mail* article of April 30, 1987, the Minister of Justice had indicated or agreed that the Lieutenant Governor would be justified in intervening if the provincial government did not schedule a budget until this fall. I suggest to you, Mr. Chairperson, the fact that the Minister of Justice felt that the Lieutenant governor may be justified in intervening that the government knew what it was doing was improper. It knew what it was doing was wrong. And it knew that the legislature should be in session so that the members of the Legislative Assembly could properly deal with the expenditures of government.

And so I suggest to you, Mr. Chairperson, that that affects their credibility, and that the people of Saskatchewan are not going to accept that. They are . . . and you will see the results of that in the next election. The reaction to the Legislative Counsel and Law Clerk's memo saying that the expenditures through special warrant was illegal, the very strong reaction condemning the Legislative Counsel and Law Clerk, Mr. Chairperson, is a reaction of a government that knows what it is doing is wrong.

I also want to refer to briefly, to what the – to the auditor's concerns. As you know in the report of the auditor, the auditor has expressed some very grave concerns about the failure to come forth and present a budget on a timely basis and to present accounting on a timely basis to the Legislative Assembly.

The auditor has also expressed concerns about private sector auditors. And as you know there is suggestion that the government is going to be having auditors in the private sector audit the public accounts and the accounts of Crown corporations as opposed to using the office of the Provincial Auditor. Now that causes members in this House concern, and it causes the auditors concern.

The auditor claims that this could detract from the ability, from his ability, to satisfy himself as to the true state of affairs of public money. And we also raised the question, not only does this mean that it diminishes the office of the Provincial Auditor, but when these private auditors are vying for the contracts, does that mean that they would be less likely to say something controversial about the government than would they be if they were entirely independent and stationed in the Provincial Auditor's office? I think that's a very grave concern the public has. And this government should not forget that. And this government should not forget that,

that the Provincial Auditor has to be independent of government. And the Provincial Auditor, and auditors dealing with government, should remain as independent as possible.

There is also some concern that the auditor has expressed about changing Provincial Auditor's supervisory role re: the Crown corporations. And the Provincial Auditor is concerned that, if his supervisory role is changed, this will reduce his powers. He also expressed concern, he was deeply concerned over the lack of timely, appropriate financial information.

And the reason why I want to raise all these things Mr. Chairperson, is because this brings us back to the argument of accountability. If the Provincial Auditor's office is not strong, if it is not properly staffed, if he cannot review the accounts and report to the legislature on a timely basis, if his supervisory role over private auditors is reduced, this could ultimately – and I suggest probably will – affect the accountability of this government to the people of Saskatchewan. And those concerns are very real concerns, and the government should take note of them.

Now what has been happening in the last three or four months? While programs were being decimated, Mr. Chairperson, while we had programs like our dental program being decimated, while advocacy agencies were being eliminated or their funding was being substantially reduced . . . the Voice of the Handicapped pops to mind, Mental Health Association, the civil liberties association, the drastic cut to the Saskatchewan Human Rights Commission, all these agencies, Mr. Chairperson, that deal with government, they're advocacy agencies that take on government, and they bring problems to the government's attention – problems that may very well involve government – all these agencies are being reduced and cut back. That's what's been happening in the last three or four months.

That, Mr. Chairperson, goes to accountability. That, Mr. Chairperson, affects the accountability of this government to this House. If these agencies and boards and commission are unable to function properly because the government refuses to properly fund them, it ultimately affects accountability.

But on the other hand, as my colleague from Regina North East pointed out, this government has lots of money for its political friends and for friends of the PC Party.

An Hon. Member: — George Hill.

Ms. Simard: — Yes, that's right. The member from Souris-Cannington says George Hill, and I quote agree with him.

But what we see here is a picture of the government in every way possible attempting to reduce accountability to this legislature by introducing Bill 5, by refusing to call the legislature, by cutting advocacy agencies and agencies that take on government.

And I suggest to you, Mr. Chairperson, that it's important to bring this aspect to the attention of the people of

Saskatchewan. And it's important to warn the government that this course of action is not going to be successful. The people of Saskatchewan will not stand for this; they will not allow themselves to be brow-beaten and reduced into being servants of this government when this government should be their servants. Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Chairman, I would like to address a few remarks with respect to this motion. And I think that an interim supply motion addresses itself to the budgeting of the government, what it wants money for, and what justification it lays before a legislature before asking a legislature to vote money.

The very essence of our system of democracy, parliamentary democracy, is that the legislature must vote money to the Crown. There is a great deal of history which I won't trouble the House about to repeat now. But all of us know that the bedrock of our system is that you cannot pass a law without the legislature saying so, and you cannot levy a tax without the legislature saying so. Aside from some trifling exceptions, that is the bedrock of our system.

And we are now dealing with one of those pillars of our system, now voting money to the government; voting money to the government so that it may spend it in a way which is satisfactory to the taxpayers whom we are elected, on each side of the House, to represent.

We are now dealing with an interim supply motion and in due course a Bill, and this breaks new ground in Saskatchewan. Never before have we had an interim supply Bill under these particular circumstances. I believe I'm accurate in saying that. Never before have we had an interim supply Bill where the Bill was presumably designed to deal with a great number of special warrants which were passed for the same fiscal period.

I may be wrong in suggesting that there is no precedent. Certainly it would have to be a long way back if there was a precedent. I have checked some figures since 1945, and, in each of those years except one, the budget was introduced in March or February, from which I can deduce, I think correctly, that the legislature was in session during that period. And I can also deduce because the law has been the same for many, many years as it is now, and that is that no special warrants may be passed when the legislature is in session.

It follows therefore that when we have been asked to vote interim supply in the past, it has been because a budget has been before the legislature, but under debate and not passed. The one exception to this rule since 1945 was the year 1985 when the government opposite was tardy in its budget and did not bring it in until April — April 10.

I do not believe there were special warrants to cover the period from April 1 to April 10, and accordingly I think therefore that this is a new circumstance where we are passing an interim supply Bill when we believe that it subsumes — it takes into account special warrants which have already been passed. And I want to say that we on

this side of the House are acting on the assumption that the proper legal interpretation of the Appropriation Bill, the interim supply Bill which will be before us, is that the sums which we will be asked to vote, roughly \$1.2 billion on the consolidated account, will be first used in effect to match the special warrants which have already been issued, and secondly will be used to supply funds for the future for the month of July.

And I'm assuming that this is the case. I don't know whether we have any law on the point, since it is my belief that this situation has not occurred since 1905, but this is our understanding and we're acting on that specific understanding, and we are asking the government to confirm that they are not asking for \$1.2 billion over and above the close to \$1 billion they have already provided themselves with through the medium of special warrants.

I don't propose to detain the committee on the propriety of the government passing special warrants to the extent that they have. My colleague from Regina Lakeview has set out what is pretty firm, I think, that the propriety is at least very questionable, very questionable. And I hope we will not see a repeat of this assertion by the government opposite that they have a right to govern without a legislature, because they have a right to provide funds by special warrant indefinitely, and therefore they don't ever need to call the legislature except to have it meet once a year in accordance with the Saskatchewan Act and the federal legislation or the constitution of Canada. I shouldn't call it federal legislation; it is our constitution, federal and provincial.

They shamelessly asserted that, that somehow they had the right to pass special warrants indefinitely and that a legislature was not necessary to make a parliamentary democracy work. I think that they would not have wished to have that pressed in the courts, and I think it was our assertion that the time had come to make them defend that in the courts that caused them to summon this legislature.

They gave us four weeks' notice, which I think is unprecedented in the calling back of a legislature to hear a budget, absolutely unprecedented, and the only reason they gave us four weeks' notice was our prior announcement that we proposed to go to the courts to test the matter of the legality of their special warrant.

(1545)

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — We did not wish to engage in frivolous litigation or in — far from frivolous — engage in litigation which would not have an immediate use, because we knew that we would be unlikely to get a decision by the court within the four weeks, and we drew back.

But I want to say to the government that I suspect that the opposition would take the view that if the government proposes to proceed as they did in 1987 and attempt to finance the government by special warrants and not by calling back the legislature, there will be a test of the legality of it. And I think that the government ought to get

some legal advice before they pursue that course of action . . . (inaudible interjection) . . .

The member for Souris-Cannington suggests that they will get advice. That's different from the member for Kindersley who said that they had got advice. All I could say is that neither the member for Kindersley nor the member for Souris-Cannington will put their alleged advice on the Table so that anyone can see it. And the advice that we were operating on was public. The advice – and let us be charitable and assume they had advice – whereby they said that our advice was faulty, was kept close to their bosom. They certainly didn't indicate to any member of the public, whose business was being discussed, the legal advice on which they felt that they could govern this province and spend billions of dollars without the involvement of the legislature. I think they will find that if they had advice of that kind, they'd better have another opinion.

Now, Mr. Chairman, I want to touch on another matter alluded to by my colleague, the member for Regina Lakeview, and that has to do with the Provincial Auditor and, more particularly, the move by the government to have private sector auditors operate for some government agencies.

I think there is no quarrel with private sector auditors performing an audit function for some agencies of the government. I do quarrel, however with the suggestion that this is somehow in substitution for what the Provincial Auditor is charged to do for this legislation.

It is very clear, both from the provisions of *The Provincial Auditor Act*, and based upon any principle of parliamentary government, that this legislature must have, from the Provincial Auditor and not any other auditor, an opinion as to whether or not the accounts of the Crown, whether they be in the Consolidated Fund or on other agencies, are properly prepared and give a proper picture of the financial statement of the Crown and its affairs.

Now that, Mr. Chairman, is fundamental to the operation of this legislature, and I want to say to the members opposite that if they seek to substitute private sector auditors for the Provincial Auditor, the members on this side of the House, at least the members in the official opposition, will be raising the most strenuous objections.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — We understand what we're talking about. One of the members on the government side asks whether we were in any way questioning the professional competence of private sector auditors. And the answer is, of course, no, we are not. We're questioning the manner of their appointment, who their client is, and what their reporting mechanism is.

And I think there's a very real analogy here when we look at the private sector itself. We would not allow any company incorporated and operating under The Business Corporations Act of Saskatchewan to have the board of directors appoint an auditor and prepare the report and send it along to the shareholders and say: here, here's a

report from a private sector auditor, and they are professional and they are honourable men, and therefore you should accept the report. That's isn't how it works. That isn't how it works. The private sector is governed by a law which says that he shareholders, the ultimate owners, must appoint the auditor. Now that's the way it works in the private sector, and that is how it works here in this legislature, and that is how it ought to work in both sectors.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — I've had an occasion to discuss this matter with some people who are familiar with auditing, and I've asked them, well if somebody is appointed – Clarkson Gordon, I'll simply use a firm in whom I have every confidence – are appointed by somebody, by the cabinet or by the board of directors of the power corporation, to audit the power corporation, who is their client? And that's key – who is their client? To whom do they report? Whose interests are they protecting?

If the power corporation were a private sector company – if we were talking about, let us say, the Ipsco or the Saskatchewan Wheat Pool, no question there. We know which the shareholders who appoint them, and we know that Clarkson Gordon, to use my example, would have to prepare a report giving the shareholders the information they needed to judge the financial and accounting performance of the management. That's what auditing is all about.

Now I ask again: in my power corporation analogy, who is the client? Who's appointing – who is appointing Clarkson Gordon? Not this legislature. I don't know who it's going to be, but not the representatives of the ultimate owners. And therefore, while there is no problem in having Clarkson Gordon do some auditing work . . . auditing work doesn't have to be done always for the benefit of the shareholders, it can be done for the benefit of management. But the ultimate report, the report on whether or not the financial statements fairly represent the state of accounts of that corporation, and the results of the carrying on of business of that corporation – that must be done by someone who represents the shareholders, the ultimate owners. That is the Provincial Auditor, and nobody else. Nobody else.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — And we know, of course, that this operates in every jurisdiction. We all know that the Auditor General in Ottawa feels perfectly free to report on activities of federal Crown corporations. And so he should.

And I know that the Provincial Auditor here will continue, I trust, to examine into the accounts of all Crown corporations and report to this legislature on whether or not those accounts are prepared in a manner so as to reveal to this legislature, and to the public of Saskatchewan, the true financial position of the Crown corporations, and to reveal the results of the carrying on of business of those Crown corporations for the period covered by the audit statement.

And there can't be any doubt about this, and it's got nothing to do with the professionalism of the auditor or anything of that kind. Anybody who operates in the profession knows – and I think of my own experience in the legal profession – an absolutely key question is: who is your client? Who is your client?

No professional person wants to get himself in a position of any sort of conflict of interest. And very clearly, if a board of directors of a Crown corporation appoints an auditing firm and the auditing firm feels that they must reflect adversely on the management in that board of directors, we set up, immediately, a potential conflict of interest. And we simply can't have it. The system doesn't work that way, and it will not work that way.

Mr. Chairman, I want to go into a few more aspects of the financial management of this government.

An Hon. Member: — Mismanagement.

Hon. Mr. Blakeney: — Well my colleague from Quill Lakes says mismanagement, and he is entirely right. A number of people in this House, and they include the member for Qu'Appelle-Lumsden and myself, have been around a fair while. And we've seen a lot of reports from the Provincial Auditor. But I venture to think that neither of us have ever seen one like the last couple that have been coming from the Provincial Auditor.

They're one long litany of comments, saying: this government is operating sloppily; this government is not keeping the right books; this government is not attending to its knitting; they're not counting their beans, and all of them.

And I can't help but feel that this condition of not paying attention to the careful management of funds is seeping into the public service from the top – from the top. We have heard the Premier today say, well the deficit was predicted to be 2 or \$300 million. It was \$389 million. Well, it's just \$150 million. I mean, and that was as much as several months ago. You couldn't expect us to keep figures, tiny figures like that in our heads for all those months. But that I think is the sort of mentality which has seeped down into the public service.

We have seen the many, many statements by the auditor about a couple of the corporations, and there are just a long, long series of them. And I'd say the agricultural credit corporation, the system development controls were not adequate. And no security or collateral other than promissory notes was taken, and no net worth or cash flow statements were taken, and no credit checks were made. And all we did was lend about a billion dollars on that basis; lend about a billion dollars on the basis of virtually no documents.

Now everybody knows that there were some pressures in this case. But I doubt whether the pressures were such that there couldn't have been a few checks. In fact with that program, as I recall it, if you owed the government money under a lease, you didn't get the money. But if you owed the bank money under a lease, you did get the money. I don't know the standards which were applied, and I'm here not talking about penny ante stuff — \$1

billion.

And as the Minister of Finance, the member for Qu'Appelle-Lumsden, was fair enough to point out today, a part of the debacle which produced a deficit in one year of \$1.2 billion was that the auditor was pressing him, pressing him to provide some reserve for bad debts for a loan program which was operated on the basis of no security or collateral and no net worth statements and no cash flow statements and no credit checks.

And what do you know? Losses were sustained, very significant losses. Now I am not suggesting that this program could have been operated without some losses. It was . . . the nature of the program involved some losses, and we concede that out of hand. But I suspect that there will be tens and perhaps hundreds of millions of dollars of losses because ordinary precautions were not taken in lending public money.

And then we move to the livestock cash advances, and deals were made. And the auditor points out to the corporations: say, you're not really living up to the deal, you know. And the management says, well of course, we're not required to collect the interest; just said we were supposed to.

I don't think that can work, Mr. Chairman. It is pretty clear that if deals are made, if contracts are made, if loans are made on a given basis, then they must be collected on that basis, or else they must be changed for everybody, or else they must be changed for everybody.

(1600)

We have here a situation where, so far as we can tell from the audit report, the management decides that it's not going to collect, in some cases. Not good enough. Not good enough. This legislature is not authorizing civil servants, public servants, to decide when citizens have to pay their debts and when they don't. That is not a function of management. That is a function, by and large, of this legislature, but if not of this legislature then of the cabinet. If we are going to have people saying: oh yes, somebody owes the Crown money, the taxpayers money, but the management of a corporation decides well, gee, I don't think that this fella should have to pay . . . not good enough. Not good enough that public servants are deciding which of the citizens of this province are required to pay their debts and which are not.

I move to something like the Crown investments corporation, and I see in their audit and statement, in their certificate for the year ended December 31, 1985, a statement that I don't think I've ever seen in an audit report – certainly don't recall it in a very large number of years, if at all, where the auditor says:

. . . these consolidated financial statements do not present fairly the consolidated financial position of the corporation . . .

Well that's a fine how-do-you-do. I don't know what we have an auditor for unless it is to say that the financial statements fairly present them. And if they don't, then it seems to me up to the management to produce some

statements which satisfy the auditor. If they want to produce their own and put them out and say, these are the statements that the auditor insists upon, but these are ours, and we think we're right and the auditor is wrong, fair enough. I don't approve of that, but at least we would know what the area of contention was.

Here we just have a statement which the management puts out and the auditor says: well, well, it's an interesting set of statements, but they don't fairly represent the picture of the corporation. And it's left at that. I think this is a government which is simply not attending to public affairs in the careful way that Saskatchewan people have traditionally managed their own money and that they expect from the government in managing their own money when it comes to the government through the public purse.

And there are so many, many other examples. We're here talking about the Department of Advanced Education and manpower . . . (inaudible interjection) . . . And well, a good department, a member opposite says: I wonder whether it's asking too much of them to get statutory authority for the 2.1 million they spent without statutory authority referred to on page 36 of the auditor's report. Well it can always be said that this is a merely technical error. But it seems to me that a government ought to be attending to its affairs to the extent that errors involving \$2.1 million get attended to.

Please understand, Mr. Chairman, I know that the Government of Saskatchewan is a large organization, and there will always be errors. We have 10 or 12,000 employees there who will be making human errors. And no one is suggesting that the system should be perfect. If we made the system perfect, it would be excessively expensive. We all concede that. We all concede that there will be errors made, and no one is expecting perfection. But \$2.1 million ought to have attracted somebody's attention. It seems that it did not do so.

We have that same Department of Advanced Education and manpower saying that . . . the auditor saying, look, I don't like the look of your books here. I can't figure out what you're doing with your money. I don't think your control systems are in order. When the auditor was pushing them in that regard — and I'm referring to page 40 of the auditor's report, and you can see it for yourself — they said, well, gosh, if you think so, we will review every transaction. And they went and they reviewed every transaction. The investigation identified authorized expenditures — total 143,000 — that hadn't been recorded in the books. I'm not saying that anybody took the money. I'm just saying that this is Wascana Institute. That's not such a big outfit that they shouldn't be keeping track of their expenditures to the extent that \$143,000 can be spent and not recorded.

That is the sort of inattention to business that I think has found its way into this government right from top to bottom, and I think is one of the reasons why, increasingly, people in Saskatchewan believe that this government doesn't have a grip on its spending, and why, therefore, we are seeing these massive deficits. Only by getting a grip on spending can we really limit the spending of any government, any organization.

Because it is not confined to public servants. But in any organization it's always nicer to spend money than not to spend money. Indeed it's nicer in the private life to spend money than to not spend it. And if people are not held accountable pretty strictly for money they spend, then practices become sloppy. When practices become sloppy, then money trickles away.

I say to you, Mr. Chairman, and to all members opposite, when we're asking people in this province to tighten their belts, to watch what they spend, to get by with less, to put up money for their own drugs and wait for six or eight months or maybe more; when we're asked to pay 7 cents extra litre for gasoline and put in the slips and get back the money next April, simply because they . . . Then we know what's going on.

I think all members know that what's going on is that they want to give back the 7 cents, but they don't 'want to take it out of this budget and are going to send it back next April, and then it comes out of next year's budget.

And somehow they say, well we just haven't spent that money this year. We've promised it, but then you can send in your bills, you can send in your bills in January and February, but wait, you'll get your money in April, and that won't come out of this budget, and it won't look so bad. And I don't think there's a . . . (inaudible interjection) . . . Well, I don't think there's any doubt of what I'm saying . . .

An Hon. Member: — Give them the "tax the oil companies" speech.

Hon. Mr. Blakeney: — Well a member opposite suggests that I give them a "tax the oil companies" speech. I would prefer to deal with the matter I'm dealing with, but if he wants to enter the debate and give his speech on taxing the senior citizens, which he is doing for drugs, and taxing the people in rural Saskatchewan, and forcing them to drive for 50 miles to get dental care for their kids, which he is doing, then I will talk about taxing the oil companies.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — I look at the Department of Agriculture, which is a department which the member for Weyburn is not totally unfamiliar with, and looking at crop insurance, and here again I know that we're always going to have errors, but 75 calculation errors and amendments to the crop insurance claims resulted in overpayments of \$207,000. That's not very careful work; \$207,000 — not very careful work. And as I say, we're not talking about penny ante stuff here.

We're having the Department of Agriculture, another error here of 36,000 on page 48. I don't want to deal specifically with all of these matters, but I want, in effect, to make a point that what we are dealing with is a government which asks everybody else to tighten their belt, but they will not even tighten their accounting procedures.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — And I look at this . . . And when I say tightening their belts, I look at this provisions with respect to the Hong Kong trade office, and that doesn't look like a belt tightening operation to me. We have, so far as I'm aware, one person, one senior employee and one clerical employee there, and we're renting space for this one person, one man or one official, one secretary operation.

An Hon. Member: — What did it cost?

Hon. Mr. Blakeney: — Well we are . . . It's a three-year lease, and it costs \$168,000 a year — a year — so that it's \$500,000 for an office . . . for a trade officer in Hong Kong. I know that rents are high in Hong Kong — I know that — but \$168,000 a year for an office for one person and a secretary?

That strikes me as a shade on the high side. And it's all very well to say that we're trying to generate trade. But we very, very clearly have to be careful and prudent in how we spend this taxpayers' money when that same 500,000, over three years, if you cut it in half and add an extra 250,000 over three years to deal with problems of people here in Saskatchewan, I suspect we could find some very useful purposes to spend that kind of money. But instead, we're spending it for rental in Hong Kong, for what kind of premises I don't know, but they certainly do not look as if they're modest in their appointments.

Unfortunately, the errors and omissions of the government opposite are not confined to spending more money. Occasionally they decide that they're going to spend less money than they provide for. And guess who gets less money? Well, it's the northern school districts who, if they'd followed their own rules, would have got an extra \$288,000 — and that's a significant sum of money for the northern school districts. But, however, it just didn't seem to get there.

I guess it was needed to provide some breaks for the oil companies, as my colleague from Weyburn would say, and would cheer. Why, indeed, should school children in northern Saskatchewan have the 288,000 when perfectly respectable Alberta oil companies could have it. And that is the position he has consistently taken. And I don't know why he wouldn't continue so to do.

And I turn now to the Saskatchewan Transportation Company. And I'm pleased to say that, at least as of now, that's a public enterprise, and we have . . . that's not a large corporation, the Saskatchewan Transportation Company. And it used to operate in really quite a modest compass, borrowing a few hundred thousand dollars here and not being required to find vast sums of money. That was before it came under the tender ministrations of the previous member for Wilkie, Mr. Jim Garner, who decided that he was going to turn this into a corporation whose attributes were letting their buses get older and running enormous deficits. So that in each year of the operations of that company, under his ministrations, the loss exceeded all previous losses since 1945 — that's in each year, or at least in 1945 to 1982.

In all, accumulated losses didn't add up to the losses

which he managed to roll up every year. And is it any wonder? Because the auditor points out, say, it looks like you borrowed \$1.2 million for which you didn't have any authority.

(1615)

Now once again, having regard to the size of that operation, a \$1 million oversight is a lot of money. And when the company is being operated so that people are not concerning themselves with \$1.2 million, it's not surprising that the Saskatchewan Transportation Company is in difficult financial circumstances these last four or five years, and it's not surprising that members opposite feel that the way to solve the problem is to sell the company.

Mr. Chairman, I suggest that the way to solve this problem, and a good number of other government problems, is for this government to get a hold of its finances, to manage the province properly, and then there will be returns, there will be profits, and we will not have to sell off the public heritage in order to finance their profligate spending habits for another two or three months. We will be able to have something to pass on to our children.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Chairman, the members opposite suggest that somehow we're arguing that more government is good government. We can have that debate another time.

All I'm just saying that just because you cut down the size of government, doesn't mean that you can throw money out of every window. And that is really what has been happening. It is, I think, significant; it is significant that this audit report contains many, many more reports of simply bad management, simply diaper league management, than we have had for many, many years. And that is because this government has adopted that style of management. They regard all matters as matters of principle. If you're expanding government, it's bad; if you're contracting government, it's good. But they're not directing their attention to whether or not they're running the ship properly.

And I think that the public of this province who, for the most part, run their own affairs with a great deal of frugality, are getting fed up with a government that decides that it can deal with everything on the basis of a slogan, and nothing on the basis of hard figures which add up to numbers which they can understand.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — We had another display of that during the question period. We had more gobbledygook about the difference between 500 million and 1,200 million than I've heard in a long time. No, it was Liquor Board and it was this — none of them would add up to 700 million, none of them. And they didn't attempt to say, look, here is the situation: one, two, three, four, five. They present the appearance, at least, of not being able to add up as high as five, because they really will not address the

hard numbers which they must address if they are going to manage this province properly, and which the public are expecting them to do.

Mr. Chairman, we are talking in this Bill about spending some hard-earned money – hard-earned money, and the public have a right to expect that this money will be spent with care and prudence, and they are simply not getting that. They are simply not getting that.

Mr. Chairman, members on this side of the House will be raising some other issues. I wanted to confine my remarks largely to what I felt was the lack of business acumen of this government; their unwillingness to manage the affairs of this province in a way which would be respectable for any business man, their unwillingness to do that; and their apparent desire to cover their managerial shortcomings with sloganeering. And we've seen that time after time after time.

All we ask them during the discussion of these finances is to lower the decibel count; say, indicate exactly where the spending is going to be and why it needs to be less or more than the year before, or why new spending is necessary, or old spending is not necessary.

That's what this process is all about. It's not going to be effective for the people of Saskatchewan if it reduces itself to simple sloganeering. Any opposition has a duty and an obligation to ask how money is being spent, and any government has an obligation to give simple, clear, and crisp answers as to how money is being spent.

And I think that we have not been getting that from this government, particularly. And I invite hon. members opposite, because they too have a right to know – the back-benchers – to encourage the ministers of the Crown to give clear and simple questions about how money is being spent. And then we will be able to make judgements as to not only the broad policy questions which are involved in those expenditures, but also whether or not reasonable management acumen is being applied to the management of the affairs of this province.

No one is expecting that there will not be errors. We are all part of organizations which make errors, but we think that when errors are made they should be acknowledged and said, yes, in hindsight it wasn't a good judgement, but it was a good idea and looked like a good idea at the time, as so many of us have so often said.

And what we do not expect from members opposite is an attempt to bluff and bluster and suggest that no errors are made, and in the course of such bluff and bluster, withholding from the people of Saskatchewan the figures which will allow them to make judgements.

And I close by saying that this government has been notorious for withholding information. I believe it is true to say that never in the history of this province have we seen the public accounts come down just about 15 months after the end of the fiscal year.

The federal government requires even the largest corporations to have their financial returns in for tax

purposes in four months – in four months. I see no reason why this government could not have their affairs in order in four months, five months, and that the auditing proceed in another month, and at six months after the end of the financial year the statements would be available to the public. It has not always been true in the past, but on many occasions, the public accounts, for the year ended on March 31, have been available before December 31, and this year they only just became available before June 30.

Now that is simply a totally unsatisfactory state of affairs. The Canadian Institute of Chartered Accountants, in their statements on public sector auditing, suggests that the statements – they suggest the obvious – that statements simply are no good if they're not timely. And they suggest that steps be taken to see that timely financial statements are published and that consolidated financial statements are published.

I'm dealing now with the timely aspects of it. This government, far from providing financial statement on a timely basis, has withheld them, and they've withheld them not, I suggest, out of pure political malice but because of incompetence. I have every reason to believe that these public accounts were not published by the first of June; they were not printed. And if that's true, and I believe it is, then we have got 14 months after the end of the financial year, and this government doesn't have its financial statements prepared and printed, and that is total unvarnished incompetence – total unvarnished incompetence.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — And it's showing up. And now the people of Saskatchewan are being asked to pay, being asked to pay in so many ways. And we are being asked now to vote a budget which involves very, very significant sacrifices on the part of Saskatchewan people in the withdrawal of services and the very significant increase in taxes.

Because of the reasons mentioned by my colleague from Regina North East in that we do not wish to hold up the payments which we wish to see going out to nursing homes, and hospitals, and others who are relying upon this interim supply Bill, we will be supporting it. But we want to underline the fact that we support it with reluctance because, among other things, we think that it indicates that the government is incompetently handling the people's money, and that the government should improve the fiscal and financial management of this government so that the public of Saskatchewan are not asked to bear still further burdens stemming from the managerial incompetence of members opposite.

Some Hon. Members: Hear, hear!

Mr. Goulet: — I would like to respond to this interim supply Bill. First of all, I would like to present this interim supply measure in its broader context, and then narrow it down later on into its impact on the North and on Indian and Métis people in this province.

On the broader level, one has to look at the development

of the interim Bill as part of a larger package. This larger package is of course part of Bill 5 which was presented before Christmas. A lot of people were wondering why we were standing up and fighting against Bill 5 before Christmas. It becomes quite clear that the reasons are right in front of us, as I will state forward in it's immediate impact to the North and also to Indian and Métis people.

On the most broader context, what we are seeing in terms of the international levels of governmental operation is this: whether you looked at Britain or whether you looked at Marcos or whether you looked at Reagan or whether you looked at Pinochet, there was the same type of governmental operation. Number one thing was this: it was to keep government from the public, keep it away from the Legislative Assembly, and keep it away as long as possible. That is the number one device that is used by right-wing governments throughout the world.

Bill 5 also went one step further. And that is something that is utilized by right-wing governments throughout the world. That device is to take, again, the power of debate in the legislature and give it to the executives of the government where they can do secret decision making on their own so that they can deceive the public and hide the facts from the public. That's the similar strategy that is utilized right throughout the world by right wing governments.

(1630)

There is deception . . . You keep the facts from the public. And this specific interim supply Bill is precisely the continuation of this strategy. I would say, in combining this interim strategy with the budget, that it has very deep implications for those people that are in the greatest need in this province: seniors, youth, all ordinary people, workers, small business, Indian/Métis people, and especially also the people in northern Saskatchewan.

This interim measure is a device to attack and to keep hidden those things that are destructive to ordinary people, the people in the North, and Indian and Métis people.

Some Hon. Members: Hear, hear!

Mr. Goulet: — This interim measure is therefore part of the plan which will increase the possibilities for the generation of a greater amount of, not only ageism, handicapism, sexism, but also racism.

When I look at the concept of racism, one doesn't have to look very far for ideas in regards to the budget. One has to only look at how it started in the spring. Which was the first group that the members from across here attacked? One of the first groups was the native court workers program.

The people from across figured, well this group will not get public support, and it's a good time to smash them. We'll smash this native court workers program because they will not have a public leg to stand on. We are so brave that that is what we are going to do, the government thought.

But what was the impact of this cut which this interim measure is now trying to protect? What was the impact? The first thing I thought of when I talked with the native court workers was great concern for their own families, because the basis for putting food on the table was no longer there — that this government had taken that away. Since a majority of those workers were Indian and Métis people, we know that it is extremely difficult for any of the Métis people to get hired on in many situations in this province. The government knew that, but it deliberately took that step to take away the basis of putting food on the table for the many families and children of Indian and Métis people in this province.

But as I talked with the workers, they said, we have come to you, not because we are too worried about ourselves; we have fought for a job before and we will continue fighting. We have helped build part of our communities and we will continue to do that. As the true builders of our communities, we will continue to fight in that direction. But, they said, what we are really concerned about was a very important mechanism that provided justice for Indian and Métis people in this province.

We well know the great numbers of Indian and Métis people that are in jail or in corrections programs in this province. We well know the institutionalized unfairness of the system throughout all these years. We don't have to explain that to a very great extent. But what is clear is this, and this is what a lot of the workers were saying. The very mechanism and the means, Mr. Speaker, the very mechanism and the means to get fairness and justice was taken away from many Indian/Métis people in this province.

And the workers also said: and this is the government that calls themselves builder? This is the government that says build, build, build? They said, these are simply destructive destroyers of the means of fairness and justice for Indian and Métis people. They have taken that means away from us.

When I looked at that issue, the statement of Sinclair rings loud in this province and in Canada during the constitutional talks. He said that the government will spend more money building jails and improving corrections, but will not create jobs for people. But only in those specific areas of the following year, they will fill those jails up with the people who work there. And it seems that that is the strategy of this government.

The other aspect, whenever an important mechanism for change arises, and this has happened again on an international framework, right-wing governments tend to take those away. And they take them away right throughout the society that they are in. The example here is the employment equity program, the program which helped people with disabilities — women, and people of Indian ancestry — in this province to get a job in the institution that we control through this legislature, the government civil service.

For about a 20-year period since the late '60s, people had recognized the importance of having a specific affirmative action type program for the hiring of Indian and Métis people in this province. They were called by

various names. Some called it at different stages, the shadow positions – creating shadow positions. At another time it was training on-the-job programs specifically related to that. Then later on we changed its wording into affirmative action. And still later we called it employment equity as a response to section 15 of our Canadian constitution.

As we look at that particular device of affirmative action, one knows that in government there was very few Indian/Métis people working in government. Throughout the years there was steady improvement, from 1 per cent to 2 per cent to 3 per cent to 4 per cent, till we reached the stage of about 5 per cent of the civil service. The employment equity type programs and the affirmative action strategies have done more in a short few years than all the previous years since 1905.

They were an important historic mechanism. It wasn't just sloughed off to the departments to say, let it be done there, because it's these very departments that did not hire in the previous history. When something is important, you have to have a concrete concept to work from and a concrete mechanism to work from. That mechanism was employment equity.

Again, when I talked with the workers in the employment equity program, again they were not concerned about their own jobs, although I was. They said, destroying this mechanism will make it extremely hard for Indian and Métis people to enter the government civil service. Even with the law on a specific program backing us up, they said, it was difficult; it was very difficult because of the resistance.

What they said very clearly, Mr. Speaker, is this. This government calls itself the builder, but yet it destroys. It destroys the very means of not only access by Indian/Métis people, but by people with disabilities, and women in this province. They said it was a destructive government.

When you look at the specific examples of the employment equity program, it also became clear that the government strategy was not only to destroy the means of access by women, Indian/Métis people, and also people with disabilities, they also wanted to make a change so that people who were the most knowledgeable in every one of those situations were the people to be knocked off from the system.

(1645)

In that specific situation, I talked with people – 16 years experience, 18 years experience, and 22 years experience – people who knew the historic nature, and the pros and cons of every program that has been developed by all governments in the history of Saskatchewan; people who knew in detail the processes, the structures, and the means to best put these programs into play. These very people were the ones that were attacked by this PC government.

They wanted to make sure that they left people in there with the least amount of experience so that they could put in their own right-wing agenda into the affirmative action

and employment equity programs.

So what it is, as you look at the first few examples, Mr. Speaker, what you're seeing is that the very mechanisms for change have been destroyed by this government. But it was not only simple destruction. It was to knock off the people who had very important connections, those who built the basis of what we have in Saskatchewan today. They wanted to get away from the traditional roots of Saskatchewan experience. But that wasn't enough. The very devices that this government promotes also increases sexism, ageism, handicapism, and racism. This budget can rightly be called, in Saskatchewan's future, the budget of racism.

But these aren't the only examples. There are other examples. Take a look at the transition homes. People in the South rightfully fought for and made sure that their budget weren't cut back. In the first demonstration in this province this year, where 1,000 people spontaneously responded against a destructive axe by this government, the people, said, hold on. The government reaction was of course to knock off 10 per cent from the leading organizing groups from Regina on the transition homes at that level, but they were kept at zero for the rest of the province except for the North. For them the North had to suffer. Maybe it's because the North was silent. Maybe it's because it's just the North. Maybe it's because the organization in northern Saskatchewan is made up mainly of aboriginal women. Maybe that's the reason. But they cut it back by 30 per cent, Mr. Speaker – 30 per cent.

When I look at other devices, I look at the great statements of build, build, build in this province, providing money for economic development to the Weyerhaeusers, to the Pocklington, to the oil companies. But you hear a Premier saying they spend a million dollars a day. But I think he was misreading the estimates because when I read the estimates, it wasn't \$1 million a day in economic development, it was \$1 million for the whole year. It was \$1 million for the whole year.

There was a new program, they said, when they were asked about whether or not there was any new programs. They said there was a native economic development program of \$500,000. But when I looked at the Indian economic development program, the Indian economic development program was 3 million the year before. It was cut back by 66 per cent. It wasn't cut back by 5 or 10 per cent — 66 per cent cut-back. And they only left \$1.5 million out of the 3 million.

The other thing that I recognize is this. The member from across is busy talking, and that's quite an ordinary response all the time that we get in this province when Indian and Métis people talk. The members always, opposite, always want to keep Indian and Métis people silent. They don't want to make them communicate. And that is also an essential strategy that is written in the history of this province.

If you remember back in 1982 when the Tories were first elected in this province, in the fall of '82, 80 positions were lost from the Federation of Saskatchewan Indian Nations. The key cut-back in there was the

communications budget. The communications budget was the best and most excellent journal on that time that dealt with treaty Indian rights and the constitution.

The Assembly recessed until 7 p.m.

Mr. Chairman: — Order. I would ask the member to relate his comments to the interim supply resolution that is before the committee. It seems to be going back into 1982, and this is before the House now, and I would ask him to refer to the resolution before the committee.

Mr. Goulet: — Okay. Thank you, Mr. Speaker. You did not allow me to finish my statement because there was a clear connection. Because in this interim budget, which cut off this past while, the *New Breed* was cut out. The *New Breed* was cut in the past three months. And that is the clear connection, Mr. Speaker.

I use that because, Mr. Speaker, it was not a fluke. It was just not an off-the-cuff thing. It's been done deliberately to silence Indian/Métis people in this province for dealing with their constitutional rights and their rights related to the interim measures budget Bill and so on.

Some Hon. Members: Hear, hear!

Mr. Goulet: — When you look at this interim measure to cut off the funding of the *New Breed*, again here was a journal that was dealing specifically with the constitutional rights of Métis. It was communicating information that was very important in the building of self-government for Métis people. In much the same sense as you saw in '82 on the constitutional rights of the treaty, it had to be silenced by this government. It had to be silenced.

Rather than building on the effective communications as provided by these two journals and most recently the *New Breed Journal*, the government chose to destroy. They chose to destroy. All they want to do is keep Indian and Métis people silent in this province.

When I looked back at the connections, also from this spring, the minister was overheard saying that the reason why they cut back the funding to the Association of Métis and Non-Status Indians was because the constitution was all done. He said, the constitution is all done. But that's not true. Constitutions are never done. Whether in Saskatchewan or whether in Canada or whether in international law, constitutions are always created by people, and people in turn always change them.

But what Indian/Métis people wanted to do was to make sure that their rights were entrenched so that it could not easily be changed by a system such as this legislature; this same legislature which will debate whether or not there will be an amendment; this same legislature during this initial stage of the interim bills debate.

So what I'm saying, Mr. Speaker, is this: this interim measure is part of the plan to make sure that treaty Indian and Métis people in this province do not get self-government. That this province, this PC government, will go down in history as the greatest fool of the self-government rights of Indian and Métis in this province.