

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure  
Executive Council  
Ordinary Expenditure - Vote 10

Item 1 (continued)

**Mr. Chairman:** — The member from Regina North West has asked for leave to introduce some guests. Is leave granted?

Leave granted.

INTRODUCTION OF GUESTS

**Mr. Solomon:** — Thank you, Mr. Chairman, and thank you colleagues. I'd like to take this opportunity to introduce to the chairman and through the chairman to all members of this Assembly, 20 Cubs from the Walsh Acres 80th Cub Pack in the Speaker's gallery. They are in Grades 3, 4, and 5, and they are visiting this Assembly this evening for a tour, and we'll have a little meeting with them later on. But accompanying the Cubs are five chaperons, six of them actually: John White, Brian Moffat, Jan Marquart, Bud Ashby, Brian Millar, and Kathy Thomson.

I hope that the Cubs and their chaperons this evening enjoy the visit to the Legislative Assembly, and I ask all members of this Assembly to join with me in welcoming them here.

**Hon. Members:** Hear, hear!

**Mr. Martin:** — Thank you. Mr. Chairman, like many of those in the room here tonight, I also was a former Cub, later on a Boy Scout, and I think it's marvellous that these young people are here with their leaders to see how the legislature works. I'd also like to welcome you, as a former Cub myself, welcome you to this Legislature. Welcome and enjoy yourselves.

**Hon. Members:** Hear, hear!

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Item 1 (continued)

**Mr. Kowalsky:** — Mr. Premier, in the examination of this budget and these estimates, you've had many questions put to you and much discussion regarding the effect of the deficit — the \$3.4 billion deficit that the province has accumulated since you taken over, and this year \$1.2 billion. Most of the discussion to date has been regarding the effects on health and the cuts that have had to take place there.

But there also is a great deal of concern, not quite as loudly expressed in the media, but there is an underlying

concern by every parent and every educator, certainly every school board member in the province, about what is happening to the deficit, or to the education as a result of your deficit. They're especially concerned at your continuing disregard of suggestions that have been put, and the continuing of spending money on out-of-province travel, advertising, and polling. And the result has been, that there has been a shift in education funding this year, a lowering of the percentage of the amount that's been spent on education.

I want to know, Mr. Premier, whether this is a direction that you did consciously. And are you conscious that you are actually lowering the priority of education by reducing the amount that's gone into education? Is this a direction that you intend on continuing to pursue?

I notice . . . I heard this afternoon that you expected to have a balanced budget by the year 1990 or 1991. Now that either means that you're going to be trying to pick up more revenue or you're going to have to cut expenditure. I can tell you — and I think you know for yourself, if you ask any of your colleagues — that the people of Saskatchewan certainly have education as a high priority. So I want to know, Mr. Minister, if the people that work with education can expect continued erosion of education funds as it comes from the government.

**Hon. Mr. Devine:** — Well, Mr. Chairman, in response to the hon. member with respect to funding, I pointed out today that our health expenditures and educational expenditures, social services expenditures and agriculture expenditures are way, way up compared to when the NDP were in government. And they are up substantially — I mean, like large amounts.

In health, it's 63 per cent; and in agriculture, it was two or threefold. In fact we spent more in terms of interest rate relief than the entire Agriculture budget of 1981 - 82. So I make that point. We don't get that many bouquets from the opposition as a result of those expenditures.

And with respect to education, I point out to the hon. member that the budget in 1985-86 was \$718 million, and this year it's \$741 million. So it's up again. If you want to look on page 32 of the Estimates 1987-88 — and the hon. member, I am sure, knows that a good part of my background has been in education — and expenditures towards a new agriculture college, in terms of a new technical school in Prince Albert, for example, the expenditures that we have made generally on education are up significantly and substantially.

So I would just say that he probably would like to have more money in education and health and social services and agriculture, but they're all up, and up substantially across the piece, and up more than you would find in other jurisdictions that have gone through anything comparable in terms of a decline in revenues. So from 1981 to this year, from in any time in the previous administration and from our own administration, it's been a significant increase.

I think if I could give you another dimension in terms of school funding, school financing between 1981 and '87

— and maybe this is what you would like — total government grants to school boards are up 56.8 per cent; '81-87, total government grants to school boards, up 56.8 per cent; enrolments have been down 2 per cent; total grants per pupil are up 60 per cent; and the consumer price index is only up 34 per cent. This shows a 26 per cent real growth in educational funding — real growth.

Other facts — you can look at the average local mill rate increase: '82-87 was 15 per cent; 1976-81, under the NDP, the local average mill rate increase was 69.7 per cent — almost four times as much. Accumulated surpluses by boards in 1981-87 have increased from 30 million to 57 million, surpluses increased by 7 million last year alone.

Do you want to look at public school expenditures? Do you want to look at universities? Do you want to look at technical schools, new colleges, new technical schools, increased spacing, increased funding per pupil, school board grants? They're all up, all up, and up substantially — significant increases, 56 per cent — and, as I said, in other jurisdictions like health, up 63 per cent, and agriculture, up several fold.

So I know we don't get many bouquets for that expenditure, and you may have differences in terms of how you might like to see it spent, but in terms of dollars allocated to education, social services, and to health care and to agriculture, some of the largest increases in the history of Saskatchewan.

**Mr. Kowalsky:** — Well, Mr. Premier, you did get your bouquets from '82 until this budget — you did get your bouquets. You got it from the total education community, I would say, and I would say you got it from a lot of parents. But it's this year that we're concerned about, and it's this year that I want to bring to your attention exactly what is happening and that you've got a decrease in the budget, and you keep insisting somehow that it's an increase. Now you used the figure . . . pardon me, in educational spending, not in the budget. The budget obviously shows an increase.

You use the figure from page 32 of 741 — let's even be more generous, let's add the educational development fund — and let's use the figure from page 33, which is 756 million total, total for Education, including education development fund. Now, but this figure includes one transfer of \$23-some million, back on page 29, item 22, payments to the Saskatchewan Property Management Corporation, and that was paid the year previous, I believe, because in the asterisks down below, it shows that those were paid by the supply and Services department prior to this year. So when you subtract that amount that's been transferred to the Education budget from Supply and Services, there is a decrease in budgeted money to education. And that's showing a completely new direction.

And also what it's done is it's reduced the amount spent over the last two years of 20.6 per cent and 20.3 per cent, down to 19.6 per cent of the budget. It's showing you're going the wrong way. And if we want to maintain education as a priority, that's a direction that we must not go into — we must not go into.

So I ask you again: do you deny that that Saskatchewan Property Management Corporation payment is not something new that's been added to this budget? I mean, you could do that, you could increase the budget several times by incorporating some other department into it.

(1915)

**Hon. Mr. Devine:** — Well, Mr. Chairman, the hon. member points out to the fact that some of the \$756 million, like 23 million of it or something, might have been allocated towards the property management corporation, it might have been allocated towards school construction, it might have been allocated towards a combination of things. If he is trying to say that we haven't substantially increased the educational budget because he has found a place where we can put some of that educational money, it's just . . . I mean, we have put money in place, year after year after year, in the long run, for education, and it's been growing, and the construction facilities have grown, and the property management corporation helps us manage the properties, manage construction. I mean, you know in your own community, a tremendous increase in expenditures in education — and in Saskatoon and in other communities.

Now if you want to fine tune 10 million here or 10 million there on \$756 million worth of expenditures . . . It is a very large expenditure compared to anything that you did in education.

Now I run into the same thing today with respect to agriculture, or yesterday. They said, well you're down a little bit now compared to last year. I mean, we're down from . . . even this year down, just the interest relief is more than the entire NDP budget in agriculture. And you're trying to find a few million here or a few million there, that you say, oh well this went over to this department or this went into construction or this went some place else. I mean, fair enough, if you want to explore those, but generally the budget is up; it's long-run; it's involved in school construction, which takes a long time, and involves some university buildings and facilities. It is involved in technical schools construction, and these are long-run commitments.

All I can say is that we can have a fair disagreement about where we would spend the money with respect to education, but let there be no disagreement on the amounts of money in health, education, social services, and agriculture that's allocated to those portfolios that are spent in either services or property or construction or something to do with education or the appropriate departments.

**Mr. Kowalsky:** — Well, Mr. Premier, what I'm really after here is not so much as to say that you didn't increase the budgets from '81 to '87. What I'm really after here is the truth of what's happening this year because I don't want you and the Minister of Education going around and saying something that's not true, saying that the amount of money to education this year has increased again, because I believe that to be patently false. And that's all I want from you, is an admission of the truth on that one

matter.

If I can get the admission of the truth on that one matter, please, the I will be quite satisfied, and I will acknowledge the fact that you provided increases over the past years, and I think you've already had your bouquets for that. But I think it's patently wrong to say, by transferring some money in to the Education department from another department and then saying the amount spent on education has increased. I think that's dishonest, and I don't think you should be going around saying that we increased the budget again. You can say, we spent a great deal of money, or we're spending adequate, but to say it's increased is wrong. And that's what I'm after.

It's like me giving my child an allowance of \$10 a week and then saying, now I'm going . . . This year let's put in another \$5, which I'm going to spend on gasoline in my car; and your budget's up to \$15 a week, but \$5 of it goes into my car. All I'm doing is transferring it into there. And that's what I'm after, Mr. Minister.

**Hon. Mr. Devine:** — I know what you're after. I mean, I . . . To be fair, I haven't heard you give us a bouquet in education since you've taken your seat. I have never heard you say, thank you for a new technical school in Prince Albert — not one bouquet. And you've said, oh, well they've increased educational funding. You've said that in here tonight: ah, but this year I've found a spot where they've got X million dollars going into construction or the property management corporation. See? They're not consistent year after year after year after year. One year I found a hole some place.

Well I know what you're after. We haven't heard a solid congratulations on the big increase in funding, either at universities or technical schools or expansions, or in terms of total grants to government school boards that are up this year — no congratulations. I mean, I know very well what you're after. I mean, you haven't . . . You probably haven't been my best campaign advocate, right? Right? I mean, in terms of education or health or social services . . . (inaudible interjection) . . . Mr. Chairman, the member from Saskatoon South is speaking from his seat again. Every time I go to speak about looking for people on my side, he speaks up. He must be a friend of mine, I guess, Mr. Chairman.

Anyway, if you want to go through the department's budget — I mean, you've had the Minister of Education here — and say, well what did this 10 million go for and this 5, and you want to say, well I don't think that's in education, that's in construction of property, or that's in schools, or that's in long run, or that's in leasing land, or whatever it is, and to make a point that education funding isn't up, well I'm not going to get into that with you.

I know what you're after. I have not received many bouquets in Education from you, sir, and I don't suspect I will — but fair enough. But an admission that we have not spent and allocated significant money in Education year after year after year — and it's very large this year, and it's much larger than you have ever seen it under any NDP administration . . . I mean, you can't get that out of me. So you can nit-pick on where the money might have gone in terms of which construction project, but, I mean, we can

agree to disagree in terms of where you might spend the money. But I'm sure you would like to have had a budget like this in Education under your administration.

**Some Hon. Members:** Hear, hear!

**Mr. Kowalsky:** — Well, Mr. Premier, you may not have heard the bouquets because I don't speak too loudly, but the truth of the matter is, I was rather pleased when you people took on the tech school and decided to finish it after slowing it down, I might say, for about a year and a half. There was a time when the member from Prince Albert had an item in the paper and he said, look, I was talking to the Minister of Education and he said, this technical school, she's not for you boys; and it was shelved for a while. And then, of course, the community responded and, to your credit, the school was built — it was built. And the people of Prince Albert, they know full well that I've been quite supportive of that school.

But that doesn't give you the right — even if you didn't hear that, Mr. Premier — that does not give you the right to refuse to answer this particular question. So not having answered it, we can only assume, and I will assume, that this figure of \$23.85 million is a simple book transfer, and what it does is, it makes it look like there's an increase to educational spending this year — and enough being said on that matter.

I want to know one other thing, Mr. Premier, because the direction that education takes . . . Of course, I know you delegate to your minister, but the overall direction for the province is really your responsibility, and so I'm kind of interested in what you feel is the future of education in sort of general terms in Saskatchewan. Now we know already that you've decreased the percentage amount of money, slightly, of the total budget that's being spent in Education. it's now below 20 per cent; it used to be above 20 per cent. This is the first year.

I notice also that in the legislation for the technical schools, that the legislation now has been set up so that it allows for user-pay system in the technical schools. It makes it feasible for it to do so, because the minister has the power to set the fees.

We know that there has been a bit of a shift in the amount of money that public school boards are paying from property tax with respect to their total budgets. They're down to around the 50 per cent mark now, and back in '78 it used to be, according to members of the SSTA (Saskatchewan School Trustees Association), up close to 68 or 70 per cent. So there's been a gradual erosion there.

I want to know . . . I should mention also one other thing. We know that there's been an increase in the number of students that are enrolled in privately-operated schools. So I want to get your picture, your view, of where you would like to go in Education with respect to those matters that I touched on.

**Hon. Mr. Devine:** — Mr. Chairman, I think I could point out to the hon. member that I'm more than happy to answer this question, but I think that the Minister of Education spent 42 hours in estimates being asked many of the same questions, and obviously we meet as cabinet

and we review the policies in education and agriculture and so forth. So just so that the public knows, these questions have been asked many, many times.

With respect to the whole question of the future of education, the key in education today is to arm young people and educate young people so that they can compete in a very changing and a very challenging world and one that is truly interconnected world-wide. We operate in a global village; we need to have a greater emphasis on basis skills, language, computer service. The whole question of information-based economies is relevant, and young people need to have those technical skills. The technical schools have to be relevant to compete with the Japanese and the Americans and the Europeans. And all of our children have to be as well armed as possible in an educational sense.

When I go on campuses in educational institutions, I often talk about free trade and knowledge. The children want knowledge as it's developed world-wide. We look at the Japanese spending about \$15 billion a year on new technology, and their children are being shown all the latest technology and educated in the latest techniques, and we're going to have to compete with Japanese children — our children will have to. And in terms of mathematical skills, technical skills, scientific skills, and language skills, it's increasingly important that we have those basics for our children to compete in the year 1990 and the year 2000 and beyond.

For anybody that thinks that we can live in a vacuum or we will not have to compete internationally, I believe that they're only kidding themselves. As you know and I know, our pensions on our financial retirement are connected world-wide in the markets of the world. The teachers' pension funds, for example, are internationally invested and financed. Our environment is internationally connected; our security and generally basis for peace is internationally connected; and our children are more and more aware of that.

And if you talk about the environment and you talk about issues of peace, you'll find that young people are very much tuned into those, and frankly, that's somewhat comforting because they do recognize our international interdependence. And that's why, obviously, I'm interested in international relationships and international tariff reductions so that we can have these constructive kinds of relationships — economic and education.

And in terms of education, when I go in campuses and I say, do you think we should have free trade and knowledge internationally and everybody agrees. They say, well, of course we should. And to compete, none of the children want to be behind. So for K to 12, of those in technical schools and those in universities, to be well armed in terms of all the new skills in the information, technology-based industries is going to be extremely important and that means, at least, the fundamentals.

(1930)

I could say with respect to public and private schools, we have some private schools, and they have received some support from us, and they're very good schools. I think of

Notre Dame at Wilcox here, and I can think of other private schools that are around the province — College Mathieu, for example, is one in Gravelbourg, and there'll be . . . Caronport has a very good educational institution, and there's probably others across the province that don't come to mind, but good schools, good academic record. And the children there, and I certainly know from Notre Dame for example, are graduating from grade 12 going into some of the finest universities in the world and doing extremely well. And we are glad to see the children find the quality education wherever they can find it, public or private.

**Mr. Prebble:** — Thank you very much, Mr. Chairman. I want to ask the Premier some specific questions with respect to accessibility.

Before I do that, I just want to comment, sir, on the misleading nature of your comments with respect to the Education budget, just to add to the remarks of my colleague from Prince Albert. You claim, sir, that the budget had risen from \$718 million to 742. The fact of the matter is, as my colleague from Prince Albert noted, that in the property management corporation alone, which was not a budget item in the Department of Education last year but is this year, there's \$24 million, and I suggest to you, sir, that if you deduct that \$24 million, in effect what's happened is that the education budget has been frozen at exactly what it was last year in actual dollar terms. I invite you to take 742 and subtract 24, and see what you get. You get 718, which is exactly what it was last year; you know that full well. The reason I want to raise this again is because it's an example of the kind of thing that you've been giving this Assembly again and again with respect to misleading statements, and the public deserves more from the Premier of this province than that kind of a misleading statement.

So in effect, in actual dollars, the budget didn't go up a penny. You know that full well. And, in effect, if you had applied the inflation rate of 4.5 per cent to the Education budget of last year at \$718 million, you'd have gotten about \$32 million more. That's what your budget would have had to increase just to keep pace with inflation; in reality it didn't go up one penny. So in real dollar terms, we've had a \$32 million cut in the Department of Education, and you know that. And I think that all members of the House have every reason to be very frustrated with the fact that we can't have a premier who gives us straight answers on the budget in this province.

Now, Mr. Premier, I want to turn specifically to the question of accessibility in post-secondary education. You know full well the impact of your cuts to the technical institutes and your two-year budget freeze on the universities of this province is the last year.

In effect . . . And I'll use Kelsey Institute as an example. Kelsey Institute, Mr. Premier, turned away 2,700 people this fall, in September, who wanted to get into Kelsey, who were qualified to get into Kelsey, but who could not get into Kelsey because there wasn't space for them. And in addition to that, Mr. Premier, they turned away more than another 900 students who had planned to attend Kelsey at programs that existed at Kelsey until this fall when you eliminated those programs — programs like

office education and programs like the certified nursing assistant program at Kelsey. Those students were registered. They would have been accepted if those programs existed, and you abolished those programs, Mr. Premier. So that in total, more than 3,600 students were turned away from Kelsey. And at the same time, Mr. Premier, you fired or laid off — as the Minister of Education likes to call it — 74 staff at Kelsey. Some of those staff were rehired on a part-time basis with reduced hours.

And, Mr. Premier, we've seen the same pattern at the University of Saskatchewan. I'm not suggesting that the number of people there is lower than it was last year, but I am suggesting to you that you have, in effect, frozen the budget of the university for two years, as you have in Regina. In net terms that means a 10 per cent cut in the budget of the University of Saskatchewan, and as a result of that, Mr. premier, 475 qualified students who would have got into the University of Saskatchewan last year are not being admitted this year.

Now my question to you, sir, is very simple. How can you justify to the young people of this province that at a time when 3,600 people are being turned away from institutes like Kelsey — at Kelsey alone, 3,600 people — that you have laid off 74 staff at Kelsey, and you have given early retirement to a large number of others and not replaced their positions? Can you explain to the young people of this province how you can justify that, how you can, in effect, tell young people who are trying to get into the University of Saskatchewan, are qualified to get in and can't, that they have to leave Saskatchewan in order to get an education? Can you explain that to this Assembly?

**Hon. Mr. Devine:** — Well, Mr. Chairman, the hon. member acknowledges that our education budget is up substantially from when the NDP were here, and he acknowledges that our space is up substantially — 1,200 new spaces in technical schools. He acknowledges that we have built a brand-new technical school. He acknowledges the space at university has increased in Geological Sciences Building and others, and that we have built high schools. He acknowledges the fact that we have increased funding to school boards, increased funding per student, increased funding for students at university, and he's standing there in his place harping because he said, well, you know, you're way up; you're not as up as much this year as you were in other years. And he says, you've got new spaces, 1,200 new spaces, and you're building new technical schools and new university facilities and all that, but it's not enough.

Well, I mean, it's like the member from Prince Albert. It's never enough. I wish I had more money. I didn't see anything like 1,200 new spaces built in the NDP's administration. I didn't do a technical school. The member from P.A. says, it took you some time to build a technical school. Well where in the Lord were you guys? Year after year after year and election after election, a new technical school — nothing there. And when we get in and we built it, there's never even any thanks. And we build a new facility — not any thanks.

Tonight, I give you credit. I give you credit. Tonight, you said, thank you, Mr. Premier, you built that new technical

school. Well that's more sand than some of your colleagues got, and I appreciate that. And I'll come and thank you later, okay? I'll pour you a cup of coffee.

The member from Saskatoon University, I mean, you know, you can get on us because we have only built 1,200 new spaces, or we have new classes and cancelled some classes. Well I was just asked, what do I think of education. We got to be modern; we got to be contemporary. We should be.

We can't be teaching things the same way we taught them 20 years ago or 30 years ago. You wouldn't want to confine your children to that. I mean, look around the world — the United States and Europe and Japan and other places, or even in other provinces — and they have the latest techniques in health and education, in engineering and welding and shop, and all the things that we should be teaching that are up to standards.

If we want to be on the forefront in an information-based economy world-wide, we've got to change some classes. In some cases we had more instructors than students. And you'd say, no, leave it exactly the way it is. I mean, it's the same arguments we got in agriculture — leave it just the way it is.

I mean, your leader, again, has been all over the province asking people for new ideas. And it seems like you're all hidebound to the past somewhere. I mean, I read an editorial in *The Globe and Mail* recently about, the NDP's going to be the new government. And they said, they're so far behind other governments world-wide, even in terms of their philosophy. I mean, grow up or wake up or come on into the 21st century; I mean, join us.

I mean, you're sitting there way, way, way back, and all you can do is say, Mr. Premier, you only built 1,200 new spaces. Why couldn't you do more? Well the budget is much larger than it was under the NDP. It's grown. We've had difficult times, and we've done it in health, education, social services, and many other areas.

And I can only say to my hon. friend, look, I agree. I wish we had more money, and we could build more facilities all over the place as long as I can have some support from you saying, yes, Mr. Premier, you could raise taxes or you could cut other places, and here's where you could put your educational budget. Wouldn't it be nice. Okay?

Well, Mr. Chairman, I will just say that . . . Fair enough. I wish I could have more spaces, that I'd built them. We have new technical schools, new expansion in universities, new high schools, a tremendous increase in enrolments at university. I mean, we're looking at a 14 per cent increase — from 19,000 to 22,000 students — and we've accommodated that and more money going out for students than we've ever seen.

So I mean, you would like more. I understand. But for Heaven's sakes, I mean, you have to tell the public how you're going to do this when we've had major and significant increases in expenditures allocated to education and new facilities, both at a time when many other jurisdictions across North America have cut, year after year after year, their educational budget.

**Mr. Prebble:** — Well, Mr. Premier, you know I think all I can say to begin with is that we understand exactly what your idea of taking us into the 21st century is.

To begin with, your vision of the 21st century is a vision that . . . You know, you've already taken us \$3.4 billion into debt. If your government was to continue governing until the 21st century, the entire tax budget of taxpayers would go to pay the interest of the deficit you've already mounted at the rate you're going, Mr. Premier. So we don't need any lectures from you in preparing for the 21st century.

You talk about the 1,200 new spaces that you've created in the technical institute system. But I remind you of the 1,200 spaces that you cut this year — the 1,200 fewer spaces that exist as a result of the 600 spaces that were lost at Kelsey, the 300 spaces that were lost at STI (Saskatchewan Technical Institute), and the 300 spaces that were lost at Wascana. So I just remind you of that.

Now, Mr. Premier, I want to ask you another question with respect to accessibility, and this relates to bursaries. I've debated this with the Minister of Education; I've not got satisfactory answers. I want to hear directly from you, sir, as the final architect of this policy, if you could explain to the people of this province and the students of this province why you chose this year as the year, not only to eliminate the Saskatchewan student bursary program, and to change it to a forgivable loan program — that's not my primary concern, although I don't agree with that.

What I want to know is why you made a decision that every student in this province, except students with special needs, has to now borrow \$180 a week in student loan before they get any of that forgiven, when last year all they had to do was borrow \$80 a week before their forgivable loan or bursary kicked in — why it is, in other words, that a student at a technical institute who last year could get a bursary after they borrowed some \$2,600 now has to borrow, Mr. Premier, \$6,840 before they get a bursary; why a university student last year who only had to borrow some \$2,600 in a 33-week program before they qualified for a bursary now has to borrow \$5,940 before they're eligible for any forgivable loan. How do you justify to young people in this province why they should have to borrow more than twice as much as they did last year before a penny of that is forgiven? As a result of that policy they find that they are driven thousands of additional dollars into debt before they graduate. Can you explain that to this Assembly?

**Hon. Mr. Devine:** — Well, Mr. Chairman, the hon. member is a little confounding when it comes to making money and spending it. I say that, and I know exactly how he thinks he would gain money in the province. I'm going to give him a couple of examples where it's extremely difficult. He wants, Mr. Chairman, to have a deficit, and he just blamed me for the deficit. He says, Mr. Premier, you shouldn't have this deficit; it's accumulated 2.3 to 2.5 billion. He doesn't like that and yet he wants, Mr. Chairman, more money spent on education, so I'd ask him how he would get the money.

(1945)

I know, for a matter of fact, that the entire mining industry associated with uranium can contribute significantly to the province and he's against that. So he would not allow that major industry that affects Saskatoon and Prince Albert in northern Saskatchewan to contribute to students at all. And he sits there kind of piously saying, well for Heaven's sake, Mr. Premier, we should cancel that industry which can contribute significantly to the province, and the NDP are against uranium. And the member from Saskatoon University walks around saying we should have more money to students, but oh, we shouldn't have this industry. We shouldn't trade with the United States. We shouldn't do this.

Now let me give you a point. The NDP administration borrowed \$480 million to buy the potash corporation. It had something like \$800 million borrowed for all the Crown corporations. Right? That's what it is. And it's all interest free. Well, since the 1970s, if we had just invested that money and put it in the bank there wouldn't be an accumulated deficit today in the province of Saskatchewan, \$800 million from the '70s to today. Now, you borrowed the money to buy potash industries and you lost your shirt — lost your shirt and you blame me. You say, where's your money for this, and then money for that? You did that because of your philosophy. Today when an industry . . . One of the only ones that are going good is the uranium industry. Right? What do you and your colleagues say? Oh no, you cancel that one. Cancel that.

Well the people of this province want to know where you'd get the money. You borrowed a whole bunch of money to buy farmland — never did pay for it — borrowed it from New York bankers, borrowed it to buy potash from New York bankers; borrowed money to buy the pulp company from New York bankers; paid the interest rate to Americans. And they can sit over there and smiling, looking rather interesting tonight when we talk about more money to students, and they don't know how to make money. They don't know how to make money.

All you can do is say, Mr. Premier . . . Hey, they're starting to wake up a little, Mr. Chairman. The member from Saskatoon South, he's waking up a little bit.

Let me say you're against trading with Americans to make money; your agriculture critic is against sending meat into the United States to make money; you're against a paper mill marketing into the United States to make money; you're against the potash industry making money — you have to go buy it; borrow money from Americans, put us all in debt and we have to pay it off; and you're against uranium industry. In fact it's making money. How about the member from Athabasca?

Well let me say, my friend, if you walked around the university campus and you told them all the ways that you wouldn't make money and then said, well but I'd give more to education — you're a real nice guy, right? You've got more money for education and you'd cut them all off at the knees.

And when you did have a chance in power, what did the NDP do? They lost and they lost and they lost, and they

left a legacy — no heritage fund, and all this borrowed money to buy back land and mines and buildings and all these things. And do you know what they did? They borrowed the money from United States, watched the exchange rate go to 25 per cent in the wrong way, and we've got to pay it all back — not only interest, but the exchange on the interest.

Now, my friend from Saskatoon University, you tell me how you'd borrow all that money, \$800 million, not pay the interest on it, and then stand up in front of anybody and say, but I'd have all this money for education; more than the new 1,200 spaces you've got, Mr. Premier, and a new technical school and the new agriculture college for the university.

When you borrowed all that money for Crowns and for land and the rest of it, what did you do with it? Did you build technical schools? No. Did you build new mines? No. Did you build an upgrader? No. Did you build a university? Did you buy CAT (computerized axial tomography) scans? No. What in the world did you do with it? What did you do with it? You bought property that was already here, and you stand there like a . . . like some sort of magical economist that's going to say, oh, but we could do all that and still spend for everybody.

Well that's why you're sitting in the opposition, my friend, because people say, look at this. They can't continue to borrow from New York and just buy out from under us.

Well you tell me how we take the uranium industry and the potash industry and the oil industry and the beef industry and oil upgraders and paper mills, and all those things . . . You tell me, tonight, how you would do and manage those assets like you have in the past — \$800 million invested and no interest, and you haven't paid it back — and not let them function because you're going to nationalize them or cut us off at the border. You won't let us trade with them.

You tell me how you'd do that, my friend, and we can talk about education from now until next December.

**Some Hon. Members:** Hear, hear!

**Mr. Prebble:** — Well the man who . . . Mr. Chairman, the man who . . . The Premier, who likes to give us a lesson in economics, happens to be the same man who inherited a province that had net equity, Mr. Premier, and now instead has a net debt, after you take liabilities minus assets minus liabilities, of \$1.9 billion. So I'm sure you can give us a great history lesson how to manage the economy.

I think, Mr. Chairman, that the viewers on television tonight, if not all members on the other side of the Assembly, will have noted how the Premier failed to answer the question on student bursaries and failed to give the students of this province any explanation about why he turned a plan that used to involve students getting bursaries after they borrowed the first \$80 a week into a plan in which they now get forgivable loans only after they borrow \$180 a week, in effect requiring them to go into debt thousands of additional dollars a year. But I say

to the Premier, everyone noted, Mr. Premier, that you didn't answer that question, as you're well noted to doing in this Assembly.

I want to therefore give you some suggestions about where we would find the money in order to finance things like student bursaries and the student loan program and lifting the freeze on the University of Regina and the University of Saskatchewan and reinstating the cuts to your technical institutes. I want to give you a few examples just very briefly, Mr. Premier.

First of all, Mr. Premier, you've just managed to undertake the miraculous step of selling the Prince Albert Pulp Company to Weyerhaeuser corporation of Tacoma, Washington, for \$248 million, without collecting one red cent in the form of a down payment. I suggest to you that, first of all, we wouldn't have sold it. But had we sold it, we would have collected a down payment in the area of 100 to \$150 million, and that in itself, Mr. Premier, would have gone a long way to financing many of the cuts in health and social services and education that you've made.

You're spending \$130 million in the riding next to yours in the member for Weyburn, building the Rafferty damn. And, Mr. Premier, it's our view that that is nothing more than building a giant mud-flat in southern Saskatchewan that is completely unnecessary, and that's \$130 million. And the Premier says, we don't need power. That dam's got nothing to do with power, Mr. Premier. You can air cool that dam just as easily as you can water cool it. You know full well, Mr. Premier, that that's a bad investment and the only reason it's being built is to prop up electoral support for you and your colleague from Weyburn.

Mr. Premier, you talk — misleadingly, I might add — about the money that was spent in potash. What you fail to own up to, Mr. Premier, is that you inherited a situation in which the money of over \$400 million that had been spent on purchasing the potash mines had all been recouped as a result of the profits that the Potash Corporation of Saskatchewan made by 1981. You know that full well, and you're the one, Mr. Premier, knowing the assets that existed in that corporation, that chose to drain it off. You chose consistently, after running up losses year after year, when prior to 1981 that company had made profit year after year. You then chose to drain the assets that had been run up and to pay dividends each year during the term in office when no profit was being made by the corporation — in fact, when it was running up a loss.

So you're the one who's drained the corporation of its assets without even acknowledging, Mr. Premier, that you inherited a situation in which all the money that had been put up to buy potash mines in the first place had been completely recouped from the operation of those potash mines in the five years that the NDP ran them.

Now, Mr. Premier, those are just some examples of the kind of misleading statements that members of this Assembly and members of the public have had to put up with from you, not just for the last few months but for the last five years.

And I suggest to you, Mr. Premier, that the people of this province understand now that you have been misleading them, and that's why you're 24 points behind us in the opinion polls, Mr. Premier. And I suggest that as long as you continue to mislead members of this Assembly and members of the public, you'll fall even further behind because you have lost the most important quality that's required in a Premier, and that's the quality of honesty and credibility. I suggest to you, sir, that you no longer have either.

**Some Hon. Members:** Hear, hear!

**Mr. Prebble:** — Now, Mr. Premier, I want to move specifically to a third point in education, and that is ask you for a commitment with respect to the direction that you're clearly headed in in terms of education for profit.

Your Minister of Education is on record as saying that he is looking for the new super-institute, the Saskatchewan Institute of Science and Technology, to begin, raising money for its operations. I want to say, Mr. Premier, I've got no objection to SIAST (Saskatchewan Institute of Applied Science and Technology) entering into contracts with the private sector to deliver programs and making money on them as long as SIAST does not have to look for its core operating grant from anywhere other than the Government of Saskatchewan.

It's my view, Mr. Premier, that education in this province, that core funding for education, should always come from government and should never come from the private sector. It seems to be fairly obvious that you don't agree. Your government has just entered into a contract with the Government of Canada to have \$160 million worth of programming that is largely education, albeit there's some specific job training in there as well, again delivered largely by the private sector through Canadian job strategy. And what we're seeing in this province, Mr. Premier, is a clear strategy by you and your government to first of all, to privatize education, eliminating courses like office education and barbering and other such courses that were in full demand and where graduates were doing well from our technical institutes, handing those courses over to the private sector to be delivered by them. We disagree with that.

Clearly, Mr. Premier, you're also embarked on a course of encouraging our educational institutions to go out and raise money from the private sector for their core operations, depending more and more on the private sector for research moneys and for core operating moneys, and we disagree with that.

And finally, Mr. Premier, it's clear as a result of the Canadian job strategy program that you're now out to encourage small private businesses to go into the business of offering education courses, delivering education courses, even though they're not even necessarily registered with your government as educational institutions. You're in the business of encouraging them to deliver education, contracting with the federal government to do that. There are no standards with respect to quality in place, Mr. Premier. There are no standards with respect to qualifications for instructors in place. What we're getting is second-rate education being

delivered by hundreds of small, private business operators and we say that's wrong. And you obviously say that's right.

And I say, Mr. Premier, will you acknowledge now that you're clearly out to privatize educational services in their delivery in this province. And will you instead agree, Mr. Premier, that that is simply not going to be good for quality education, that students are going to have to pay much higher tuition rates at the private schools that are being established around this province to replace courses at places like Kelsey that have been deleted?

And will you instead, Mr. Premier, first of all acknowledge that that's what you're doing; secondly, acknowledge that that's going to result in a second-rate education system; and thirdly, will you reconsider your plan to do that and instead embark on a course of action which would see education in this province being delivered through the well established public institutions that we have in place in Saskatchewan?

**Hon. Mr. Devine:** — Well, Mr. Chairman, I will point out to the hon. member, and he is . . . wants to talk about financing. And he keeps saying that it's so easy under these difficult times.

I pointed out to his leader that our resource revenues have dropped 46 per cent. He seems to imply that if he was in power, wheat wouldn't go down and oil wouldn't go down and potash wouldn't go down . . . (inaudible interjection) . . . No, but the revenues . . . Mr. Chairman, they won't let me finish.

Oil dropped to \$10 a barrel. And potash dropped — potash dropped significantly. Wheat has dropped from \$5 to \$2.50, and he has to acknowledge that. And there's deficits even in the province of Alberta, right? That's right. Nod your head; are you there? Okay. Manitoba has the same problems because there's not the money in the resources. That's correct; now he has to acknowledge that.

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But he talks about somebody misleading. Well let me just point out to the hon. member, in the last NDP budget the forecast surplus was \$206 million. Your Finance minister, under the NDP, forecast a surplus of \$206 million. He was out 126 million in potash revenues; he was out 100 million in oil revenues; he was out a 100 million in expenditures; and he overpaid, in terms of equalization, 100 million. He was out 426 million. For a \$208 million deficit, he was out by \$400 million in his forecast.

Granted he went into an election year with that so he might have padded it, but in terms of forecasting revenues in potash and oil alone, he was out — \$226 million he was out. And as a result of the various kinds of changes we've seen internationally, the hon. member says, oh, well it wouldn't matter. If the prices went down, we'd just continue to balance the books.

Let me point out, you didn't encourage the private sector to build a new paper mill. You bought the old pulp company, 280 mill — no, \$300-and-some million that



we were in debt, \$91,000 a day, and you had no idea in selling it. We didn't hear any plans of selling it. And when we do and make a profit and build a new paper mill, which you said would never be built, you complain. You say, well we haven't got our first payment yet.

Well will you stand in your place when the first payment comes in and acknowledge, yes, there is a new paper mill, and, yes, the province is making money? Will you do that? I bet you. Well, we'll see. I challenge you to anyway when it happens.

With respect to the Rafferty project, when the NDP were campaigning against me in Estevan, what did they say? We will build Rafferty. When the NDP were in Saskatoon, what did they say? We are against Rafferty. When the NDP were in Assiniboia-Gravelbourg, we'd build the dam and the power project over there.

**An Hon. Member:** — And Coronach.

**Hon. Mr. Devine:** — And Coronach. Well, Mr. Chairman, the NDP are the same all the time. They say one thing one place and one the other. Their leader, for example, was at the Saskatchewan Federation of labour and he got two standing ovations from the union boys. Then he's out in the country where there is a different point of view, and he says, I think we could kind of consider privatization in some of this stuff, trying to get a response. One thing to the town folks; one thing to the city folks. I mean you've been at this a long, long time.

And with respect to investment, you're against American investment. I mean . . . but the problem with it, and with you, is that you'll take U.S. investment like in an automobile factory in Oshawa — \$4.8 billion — and then the very people that are working there will turn around and campaign across the country and say, we don't like American investment. Well how could you do that?

Do you like that new paper mill in P.A? Are you glad to see the \$500 million? do you like that? Is it good? Is it good . . . (inaudible interjection) . . . Well, let's be fair.

You went on and on about Rafferty and about potash and the paper mill. So let's talk about making money. You didn't make money with your borrowing. You didn't make money in the paper mill; you lost money. Right? You lost it. You lost money on the pulp company for years and years and years. We sold it for \$280 million, and having a new paper mill, and it's all new money — all new money — not government money, not borrowed money, but new money. And you stand in your place and say, well, we could close uranium mines, and we could nationalize the potash industry, and we could nationalize this, and it would all be magic. Well even when you were in power and you forecasted, you're only \$400 million out.

Well, Mr. Chairman, I want to point out to the hon. member the changes with respect to educational funding year after year, just for the hon. member's record. Okay? So we can argue about uranium — you're against it, and I'm not. Why don't we just say this, you are a confirmed socialist, confirmed socialist, rather on the left side; I am a free enterpriser, and I'm kind of on the right side, and that

means our views are going to differ with respect to Crowns and industry and farming and all kinds of things. Right? So you won't convince me, and I won't convince you, but maybe the public can look at both.

You are rather a left-wing socialist, and I'm a Progressive Conservative, and I believe in the capitalist system and free enterprise, so we might as well acknowledge that. Okay? The way you would run a potash industry or the oil patch or farms is different than the way I would.

Now I'll tell you, when we all left Europe to get out of centrally planned economies and come here, it was for a chance. You don't like that; you don't like that. Where did your parents come from, young fella? Where did they come from? Well, why did they get out? They came here for an opportunity, right? An opportunity, freedom — freedom — freedom of education, freedom of speech, right? We all left those centrally planned countries; we came to North America for a chance — right? — an education, freedom of speech, freedom of the media, freedom of association assembly. In most of Europe and a good part of it, you can't. And you know your ancestors and yours and yours and many of mine didn't experience that, didn't experience it. They didn't come to this province and to this country because the government was going to control everything, right?

Well let me point out to the hon. member just so he knows. I'll go through 1981 to 1987-88 on combined educational, advanced educational expenditures. In 1980-81, the budget was \$403.3 million; in '81-82, it was 549; for a 9.1 per cent increase. And the increases from '82 to 1988 were as follows: 7.3 per cent, 1 per cent, 7.2 per cent, 5.8 per cent, 6.7 per cent; and from '86-87 to '87-88, another 3.2 per cent, up to \$741 million — year after year after year.

I'll go through it again: 7.3, 1 per cent, 7.2 per cent, 5.8, 6.7, and 3.2 per cent up till this last year. Increases in education and advanced education — in money. So it's up over . . . What we get from all our income tax is going to education. All our income tax in the province of Saskatchewan, with \$2 wheat and low priced potash and all the other things that we have to face.

And I will point out that with respect to provincial assistance for students, \$4.3 million in '81-82, 1987-88 is \$31.5 million — from 4.3 to 31.5 in the last five years. That's a significant increase. Student numbers enrolment: 5,400 in 1981-82 to 15,000 in 1987-88. Now those are tremendous increases. And you're saying, but, Mr. Premier, you could've had a little more here or a little more there.

Look, granted you might spend your money a little bit different than I might spend it, but you can't argue that we haven't spent a lot of money on education — a great deal of money — with new facilities and more money to students and new technical schools and new universities.

Now the second thing we could argue about is how do you make money. Well, you have a planned society in your mind. I mean, you are a classic socialist that you would . . . the government own this. I could get out the *Regina Manifesto* and read the whole thing to you, and

you'd just think you'd died and gone to heaven, right? I mean, you'd really like this.

And it starts off that we will own the means of production and we will own the marketing and we will control the people and we will control the banks and we will control everybody. Right? Look at them smile, they love it. They think I'm preaching from the pulpit here. Here's socialism 101, right? We could go back to the planned stuff, all over Europe and all over other parts of the world, and these people would start to grin and they'd say, way to go, by gosh, the government's going to control everything. And you like that, don't you? He that's . . . look it, he's really enjoying this. By gosh, I got him. He's finally in his . . . I'm making him comfortable. Maybe I should go speak to some of their meetings. Would you like me to do that? Well, come on.

You believe one way. Obviously you are on the left side of the spectrum; I'm not. You would close mines and you would nationalize industries and you'd have the government own the farmland — I know that; you believe it; fair enough . . . (inaudible interjection) . . . No, you do. Well what's your position on uranium? You haven't spoke on uranium tonight. Stand up there, young fellow, speak on uranium. What do you think? Should we close it up . . . (inaudible interjection) . . . Come on. You say, yes, we should close it. It was a good idea to nationalize the potash. Yes, come on; it is, right? Was it a good idea to buy the pulp company?

**An Hon. Member:** — Yes.

**Hon. Mr. Devine:** — Yes, he's nodding his head. Well, see it's all the same old stuff. You're hidebound by your socialist philosophy, I know that. And you're not very old. I don't know who got you when you were a young guy but . . . you know, come on. You won't convince me that you know how to manage in a socialist fashion because I don't believe in it, and most people in Canada don't. You'd back away from NATO (North American Treaty Organization). We've been in two world wars defending people for freedom and liberty — two world wars — and you'd take us out of NATO and out of NORAD (North American Air Defence), right? You don't even believe it. You're closer to the Soviet Union than you are Americans — you hate Americans. I know that. Well, do you like Americans?

**An Hon. Member:** — No.

**Hon. Mr. Devine:** — No, they don't. See, they don't like Americans; they like the Soviet Union; they like Czechoslovakia, right? They like that system. But you know how they trade over there? You know how they trade over there, and say, well we'll phone Moscow, how will we trade today? Well we'll let so much go through and so much go through, and it will be good for the students and it will be good for somebody else. Come on, we've been there. We've been there, we've been there. Come on.

You know and I know that in terms of educational spending, we're spending more and more than you did. Educational spending, building new facilities, we're building more — building new educational and technical

schools, building more than you did, and you know that. Now you hate to admit it, but it's the truth. You would like me to even spend more, but you won't let me have a deficit and you won't let me tax and you won't let me cut expenditures. Right? That's what you say.

So I mean, you can talk here I suppose until December but you won't convince me that you know what you're doing in uranium or potash or revenue generation. You haven't convinced anybody else, and least of all those on campus who would say, oh well, Mr. MLA from Saskatoon University really knows about the uranium industry; and, isn't this nice what he's going to do for us. Well, you know, we can debate each other there too as well as here.

**Some Hon. Members:** Hear, hear!

**Ms. Smart:** — Thank you, Mr. Chairman. Mr. Chairman, I can hardly believe that I've heard what I've heard. May I as a librarian recommend to the Premier that he file all that under fiction.

Now I've heard the Premier say tonight that some of us have been asking questions that we've already asked in estimates. One of the reasons why we are continuing to ask these questions, Mr. Premier, is that we are not getting answers to them, and certainly my colleagues just lately have had no answers to their questions.

I have a question to you and I want to pick up on what you said earlier, where you were giving yourself a lot of credit for protecting the people of Saskatchewan, that your government has been focused on protection of people. Will you please explain to the 4,400 investors who lost their money in the collapse of First Investors and Associated Investors how your government and your Department of Consumer Affairs protected them.

**Hon. Mr. Devine:** — Mr. Chairman, with respect to people who have invested either in Principal Trust or Pioneer Trust or others, those companies have provincial charters and they apply interprovincially. And when we look at Principal Trust, for example, it is under review, as I understand it, in Alberta for the fact that it is now bankrupt. And the information that we are receiving from the province of Alberta and the people that we have there . . . And the legal staff we have there are reviewing it on behalf of Saskatchewan people because it is an Alberta-based company. And so the recommendations and the information given us from the home province, if you will, is the kind of information that we depend on and other provinces depend on.

When you have, say, trust companies that operate in Ontario with a head office, and they have clients across the piece in Canada, we get the information from Ontario. If it's from Alberta, we get it from Alberta, and so forth. If the Bank of British Columbia's centred in B.C., then we look to British Columbia. Pioneer Trust was here, and we were responsible for managing that and provided information to provinces on either side of us with respect to its financial condition. So the rules are applicable interprovincially.

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**Ms. Smart:** — Mr. Premier, I know that your colleagues, the Minister of Finance and the Minister of Consumer Affairs, have continued to present First Investors and Associated Investors as extraprovincially licensed companies, but they are licensed, they were licensed by the province of Saskatchewan, by your government, under The Investment Contracts Act.

I'm not talking about Principal Trust company. The trust companies are licensed differently. I'm talking about the two companies that were licensed under The Saskatchewan Investment Contracts Act. Yes, they were Alberta based companies, but in order to practise here in Saskatchewan and to sell investment contracts, they had to be licensed by the Department of Consumer and Commercial Affairs.

And I want your explanation as to how the department was so negligent that it gave licences to those companies to practise here in Saskatchewan, when they already had audited statements that those companies were insolvent.

It was your government. Will you please explain how you failed to protect those investors, many of whom have lost their life savings.

**Hon. Mr. Devine:** — Mr. Chairman, as I understand it, is that when companies file their reports — I believe this was in 1985-86 — that they look at their audited statements, and sometimes there's a caution put on the audited statement, and it's to be reviewed and examined. And it's monitored from then on through 1986 or '87. The same applies in other provinces. So it probably wouldn't be the first time that you would have an audited statement with some qualification on it. It didn't say that it was necessarily bankrupt, or it didn't say that they had devalued all the assets, but there's a qualifier that's put on it.

Now that's what they're supposed to do. So I think that in general terms, across western Canada particularly, under these economic times — and to be fair, I mean, your colleagues have said that these are perfectly normal times, with oil dropping down. Ask Alberta if oil prices didn't drop through the bottom. Ask the real estate people. Ask the farmers if land didn't drop. I mean very difficult times, and they aren't normal times, and we've had some difficulties.

And you say, well, Mr. Premier, why didn't you fix these, or why did all this happen when you were in power? why? Well it happened world-wide — the stock market crash. I suppose you want to blame me for that. I mean, come on. We've had difficult financial times across the west, Alberta, B.C., Manitoba, Saskatchewan. Okay? And so you have rules and regulations to deal with financial institutions. Banks in United States went broke — whole banks. I think something like 1,500 of them have closed, and they had pretty tight rules and regulations.

So, you know, you don't like to see it happen and you try to protect people. And some auditor said, some of this should be qualified and you look at it and say, well, fair enough. And you look at the portfolio in total. You know, you got people looking at the market every day trying to

figure out if it's going to go up or stabilize or improve.

I mean, I understand why you're asking. I mean, you're trying to embarrass the government in difficult times. Fair enough. I understand that. We embarrassed you in difficult times. Interest rates were 21 per cent; you didn't do anything, and we embarrassed you so bad you lost the election. Okay? We did that. So you're doing that, too. I understand that, but I can't change the market, and I can't change those real estate values. And in many cases that's what the trust companies were investing in, associated with real estate, land, and other things. You know that and I know that. So you can stand and ask me about the market as long as you like.

But I know it's been difficult. The whole country knows it's been difficult. Now internationally, the world knows it's been difficult. And you're saying, well, couldn't the Department of Consumer Affairs straighten this out? Well, not likely.

**Ms. Smart:** — Mr. Premier, I am not doing this so much to embarrass the government as I am to ask you to take responsibility for the actions of your department and for the collapse of those two firms in which a lot of people in Saskatchewan lost an awful lot of money. and I'm doing it because I think your government should take responsibility to those people in Saskatchewan, which you have yet not done.

You have already said the firms were in financial difficulty and that governments were in difficulty prior to 1986. And that is all the more reason why, when these investment contract firms were licensed to practice in Saskatchewan, that you should have been watching what they were doing and the health that they were in.

**Hon. Mr. Devine:** — Well let me try another approach. We care about people who have homes, and people who have money invested, and money in savings, money in farms. And again, I go back. When we saw people with money in, for example, Pioneer, we made sure that their savings were protected — those that put their money in savings, not the shareholders, but those that had savings. And we understand that. When you invest in companies as a shareholder, you have some risk and you know that. but those people who put money in banks, in savings, or credit unions, or trusts, expect that money to be there. That's why they're called trust companies and why they're called savings companies, and so forth. And I agree with you. We should protect them and we did.

We're not going to bail out Pioneer and we're not going to bail out Principal Trust. Okay? Now you don't want me to — I don't think — to bail out Principal Trust. And I don't think you want me to — or maybe you did — to bail out all the people that had shares in Pioneer. Now we would help them in terms of their savings, and that's fair enough. Let's both agree that that would be a good idea.

With respect to helping people and caring for them, again I go back. Do you know what? How many people in Saskatchewan were hurt by 21 per cent interest rates and the NDP didn't care at all. You don't have a leg to stand on. You don't have one leg to stand on. Now every family in Saskatchewan that bought a home, bought a farm, bought a car, bought clothes, bought a refrigerator, was paying 20 per cent interest rate and the NDP didn't care and that's the entire population.

And you will stand here and defend an Alberta firm. I mean, I care about those people that invested, but don't be so self-righteous. You know, come on. You weren't there when it mattered for everybody. I mean everybody. Talk is cheap, my friends. You can stand there and say, well I'd have all this money but you'd close uranium mines and nationalize the industry. Or when interest rates were 21 per cent, you didn't care about anybody. You wouldn't give them a penny — to home owners, or seniors, or farmers or anybody, and every family was touched — not a dime.

And you're on my case because you had some investors invested in Principal Trust and they've lost their money because the market went down. Well I care for them, and we will help them as much as we can. But I can't bail out the company, but I will certainly go the wall for people who face international interest rates of 20 per cent.

I mean, I don't buy your argument and I know people do. Yes it would be nice to help those people. And yes, if you could just forecast where the real estate would go up or down, you could really control investments. And that's what you're saying. There's a qualified statement there with respect to audits. And they said, okay, at these real estate values, fair enough. What happened the next six months? Well it went down more. Right? You know that. The market collapsed for real estate all over Alberta and Saskatchewan. Everybody knows that. Who forecasted it? Not too many.

**An Hon. Member:** — Yes, they did.

**Hon. Mr. Devine:** — You did, did you? Did you forecast that? Who did? Who forecasted that the markets would go down and down? Boy, there'd be a few very wealthy people if you could forecast what's going to happen in the markets.

So you want me to be able to forecast markets, and my staff too. When they go up and we make some profit, you don't give us any bouquet, but when they go down, we're responsible. Well let me just say we helped people in Pioneer, and where we can, we will help people with respect to Principal Trust. We have people in place to examine all the possibilities.

I am saddened by the fact that people lose money. Farmers have lost fortunes; machinery dealers have lost money; people in the oil industry have lost a great deal. We adjust all the time. I mean, when you look at 20 per cent interest rates, \$2 wheat, decline in potash, the problems we've faced in trade, people adjust all the time. and every day you stand here with respect to Principal Trust. I mean, fair enough. That's one fraction of the

market that we've dealt with all across the piece.

So I go back and I'm reminded of the member from Saskatoon University asking about education. No, but you were asking about . . . You want to talk about caring for people. I mean, when the NDP were in power and you look at the various kinds of money that they allocated to students, and you evaluated how much money their parents had, it was pretty tough.

We took parental assets and we eliminated them in determining dependant students' eligibility so that students could have money right across the piece. And single parents were included in our programs available to disadvantaged groups — single parents. I didn't see the NDP do that. I didn't see the NDP remove extra billing because they cared; they didn't. I didn't see NDP give senior citizens \$500 and \$700 for low-income people. I didn't see the NDP build new rehabilitation centres. I didn't see that kind of care. I heard a lot of talk about it. Okay? I mean we want to go through all the lists of caring, and if you stand and you care . . . Well, let's say we both care; fair enough, we both care.

All right. We will help where we can. We're not going to bail out the company. I can't take responsibility for the market, and I will not put my staff in charge of the markets. They look at statements and they say, there's qualification to this audited statement, and fair enough, it is. The market might go up, or it might go down. Unfortunately, it went down, and people lost some money. And it's . . . I feel for them and wherever we can we will help, but I can't lay the responsibility for my staff interpreting what the market's going to do in real estate when most trust companies . . . to be fair Principal Trust, and I think Pioneer invested in real estate in a good part of their portfolio.

**Ms. Smart:** — Mr. Premier, I am asking you to take responsibility for what's happened to the people who lost guaranteed — what they thought were guaranteed — investments. They were not speculating in stocks; they were not risk takers. They were taking what they thought was guaranteed investment.

The reason I'm making such a point of what's happened with Principal Trust is because your government and the federal Progressive Conservative government are both focusing on deregulation of the financial industries in general. You want to keep arm's length; you want governments arm's length from the market-place. This is the sort of thing that happens when you take arm's length from the market-place — a lot of people get hurt, particularly around what they think are guaranteed investments.

Now in British Columbia, the provincial government has launched a civil action against the Principal Group and they've named Don Cormie as one of the people to be held accountable. They're also doing some sort of a public inquiry in the Maritimes. Alberta has a public inquiry, which Premier Getty has said if it finds that the provincial government has been negligent, they will bail out the investors in Alberta, or they will help the investors in Alberta.

I have not mentioned a bail-out from this government to the investors in Saskatchewan, but I have asked that your government do some sort of a public inquiry or some kind of an investigation to find out how it is that these companies collapsed when they were licensed by your government. And the reason for having this inquiry is even more urgent when we look at the future, and we look at the fact that you're going to back away from any kind of regulation on financial institutions and institutions that do this kind of investment. And because of that, I think it's particularly important to look at what's happened with your government in the collapse of these two companies. That's why I am focusing on this issue.

And I'm focusing on this issue because I have constituents in Saskatoon Centre who have lost a lot of money, and they aren't investors in the same kind of way in which people have invested in the stock markets that have collapsed. These are people who've put their savings, their retirements plans, into RRSPs (registered retirement savings plans). All around this province — 4,400 people — and they're waiting for some response from your government.

The B.C. government has responded, the Alberta government's responded, the maritime government, the New Brunswick government's responded. Why won't you respond to these people? And why won't you do something to guarantee that this won't happen in the future?

And one of the ways you can do that is to have a public inquiry so that their story can be told clearly and concisely: the way in which the salesmen operated; the way in which they operated behind the front of the trust company; and the way in which your government didn't carry out the supervision of the audited statements and the other requirements of the Superintendent of Insurance. It's a crucial issue. That's why I'm raising it.

(2030)

**Hon. Mr. Devine:** — Well, Mr. Chairman, we are fully co-operating with the investigation that is going on in Alberta and we have been assured that we will be given all the information with respect to the review and investigation.

I wonder if the hon. member would . . . I don't think she would agree with the Government of British Columbia and the Government of Alberta that is moving towards more and more privatization and deregulation. Now I mean, I agree. I agree with deregulation, and I agree with opening up the financial institutions to more international exposure. I have a little problem, I suppose, with the Premier of Ontario who says we shouldn't have American investment come in, and he's just opened up all of Ontario to outside financial institutions from across the world, American and other.

But, I mean, deregulation world-wide is taking place, and that's the way it is. So it's going to create economic activity internationally, and I share with the hon. member the fact that there may be more investment and more deregulation in British Columbia and Alberta and Saskatchewan and Ontario, right across the piece.

She says, well there is a public inquiry in Alberta; well, we're there. We're involved in that, where the whole activity is taking place. The management of the corporation is in Alberta. The head office is in Alberta. All the decisions with respect to investment is in Alberta. And we're involved there in a co-operative fashion to review it. And they will share all that information with us. They said that they would be glad to share it with us, and we're involved with it. Now you know that's the case, and we've told you many, many times, and we've been through this question time and time again.

**Mr. Anguish:** — Thank you, Mr. Chairman. Mr. Premier, I believe that the Prince Albert pulp mill started in operation, I believe, in about 1967, and I'm sure you can provide me with the exact date. My recollection of that time was that the Prince Albert pulp mill started as a joint venture between the government of Saskatchewan, under the leadership of Ross Thatcher, the Liberal premier at that time, and another company called Landegger, and another company called Parsons and Whittemore. And I'm wondering if the Premier could tell us what the profit or loss was in the first year of operation of the Prince Albert pulp mill.

**Hon. Mr. Devine:** — Mr. Chairman, I really don't have any idea, and my officials aren't specialists in the pulp company. This is Executive Council estimates. I can only answer with respect to the last few years, and I can say that the eventual take-over by the NDP of the pulp company was a big loss and it was a big loser. And eventually it was \$91,000 a day and \$300 million. We sold it for a profit and built a new paper mill, and it's worked out really well and we've got out from under this debt. So, I mean, back in the '60s, what exactly did the Liberal administration made or lost on a particular one, I mean, I wouldn't have that here. And it's a . . . I mean, we can go back and look in the records, but I certainly wouldn't have it this evening.

**Mr. Anguish:** — Well, Mr. Premier, what did the Prince Albert Pulp Company make, either as a profit or what did they suffer as a loss, in 1970?

**Hon. Mr. Devine:** — Mr. Chairman, this is Executive Council estimates of this last year, and you're asking me what a particular company made in a particular part of the province in 1970. Now you have been a member of parliament, my friend, and you have been an MLA, and you've been through estimates probably in both jurisdictions. I mean, how would you expect me to know that, and how would you expect my officials to know that? I mean, that's a classic. I'm sorry.

I will try to get you the information, but this evening, it's absolutely impossible. I mean, I have no idea what the answer is, but I could go to our forestry officials and they could go dig it up out of the archives and find out what money was made in previous years.

**Mr. Anguish:** — Well, Mr. Premier, 1975 is the year when some of your members that are here tonight were first elected to the legislature. Could you tell us what PAPCO (Prince Albert Pulp Company) or the Prince Albert pulp mill made as a profit or suffered as a loss in 1975?

**Mr. Chairman:** — Order, please. I think we're getting a little beyond the bounds of Executive Council at this point. The way I understand Executive Council is, general questions dealing with the responsibility that the Premier has over the entire philosophy and so on of the government. To get specific questions about 1970, 1975, about one particular aspect of a department that is not even here, and the officials are not here. I think this is going beyond the bounds of what this estimate is expected to do. So please get your questions a little bit more general in that respect.

**Mr. Anguish:** — Thank you, Mr. Chairman. We're getting to the point. There was an expression of dissatisfaction with the pulp mill, and I was just trying to get at where the minister, or where the Premier was basing the assertion that he had made. And there has to be some background as to historical fact.

So I would ask — we'll move closer to your administration coming into place — what profit or what loss did the Prince Albert Pulp Company have in 1980? Do you have those figures with you here this evening?

**Hon. Mr. Devine:** — No, I don't. I don't. Mr. Chairman, I don't have those figures of year after year of a particular company. It's like asking me how did Intercontinental Packers do from 1965 to 1985? I don't know. I mean, we'll dig it up and we'll phone the people. Okay?

All I know is that as a result of all your expenditures, you were losing \$91,000 a day and it was over \$300 million in debt, and we had it. And you wouldn't sell it and we did. That's what I know. That was the major decision of us, \$280 million for the people of Saskatchewan and another \$200-and-some million in a brand new paper mill.

In P.A., we've never seen a paper mill before. This is first one in history of all of Saskatchewan — a new paper mill. And you are from North Battleford, why don't we talk about what's relevant about North Battleford? What about new bacon plants or recreational vehicle plants, tourism, the oil patch? Isn't that funny? I mean, for Heaven's sake! You're standing there in your place asking me what money was made in PAPCO in 1970, and it's my estimates '86-87, and you're from North Battleford. You don't even know what town you're from, young man. My Lord!

Let's talk about what's relevant. What's relevant? Diversification and building. That paper mill is diversification and it's jobs and a lot of new jobs that weren't there before. And the same applies to North Battleford. Now you go around town saying, oh, we wouldn't do that, we wouldn't build.

Well you want to talk about 1970 — I don't have the numbers — and I can tell you what we've done to date. Okay? And we've provided you the information that we have sold PAPCO, and we've provided a new paper mill, and it's \$500 million — half a billion dollars — of outside money that came in to replace the debt and build a new company. Brand new paper mill, a new PAPCO operation tied to it, a new chemical plant beside it, and expansion plans for even more. And we want to have free

trade with the United States so that we can sell that bacon in North Battleford and that paper from prince Albert right through to the New York market. Now that might not be relevant today in 1986-87 in The Battlefords and P.A., but I would venture to say it's as irrelevant as 1970 with respect to what went on at PAPCO.

**Mr. Anguish:** — Well, Mr. Premier, earlier this evening you said, pardon me, you said that there were never any bouquets being passed out from this side. Well I've passed out bouquets on several occasions in this House for all the investment that's been made in The Battlefords. I want you to know we in The Battlefords appreciate that.

I've asked you about 1970; I asked you about 1975. I asked you about 1980 as to whether or not there was a profit or a loss with the Prince Albert Pulp Company. Do you have the figures, Mr. Premier, whether there was a profit or a loss in 1981? That's the year, Mr. Premier, just before you became government.

My questions have been short and concise, and I think people in the province would appreciate hearing some answers from you once in a while that were short and concise instead of spewing out the political rhetoric that you've been doing this evening.

My question to you, Mr. Premier, is: do you have the figures as to whether there was a profit or a loss in 1981 at the Prince Albert pulp mill? And if so, what was that profit or loss?

**Hon. Mr. Devine:** — Very briefly, Mr. Chairman, I don't have . . .

**Mr. Chairman:** — Order. Order, please. I think I've ruled on that already, and I don't think that that question is in order.

**Mr. Anguish:** — Well I'll respect your ruling because of the position you hold in this House, Mr. Chairman. But that Premier over there asserted that the Prince Albert Pulp Company lost \$91,000 a day. He can stand in this House and make that kind of an assertion, yet can't document with one bit of fact in this legislature here this evening.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — How do you expect people to have credibility in what you say if your officials here can advise you that there was a loss of \$91,000 a day, yet you don't have any of the statistics. You don't know that, and I maintain to you that it is not true that the Prince Albert Pulp company or PAPCO lost \$91,000 a day. If you want to make those assertions, put those figures before us in the legislature in your estimates, or else stick to the estimates, as you say, in Executive Council and don't stray all over the board.

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** — Must have touched a nerve there, Douglas.

**Mr. Anguish:** — Well the Premier says he touched a

nerve. That brings up another interesting point, Mr. Premier. It's just the whole sort of respect or lack of respect that your caucus seems to have for this institution that we stand in here this evening.

You mentioned I sat as a member of parliament in Ottawa. I was very pleased to serve the people of The Battlefords-Meadow Lake at that time, and one of your colleagues, John Gormley, offered me early retirement in 1984, which I graciously took, because that's what the people said should happen.

But I can remember during the term I did sit there, with people like Walter Dinsdale, the Conservative member of parliament from Manitoba, the late Walter Dinsdale, dean of the federal parliament. He had some respect for the institution and there was some fairness in the way the institution operated. If one side could stray, the other side could also stray.

People like the late Walter Baker, another person who held some respect of the institution; George Hees, who is still there — members from your same party that show some respect. And I just don't think that you give any guidance to having your members maintain respect in this Assembly.

And I don't know how we can operate when there's one set of rules for one side of the House and another set of rules for the other side of the House. And if you can have that . . .

**Mr. Chairman:** — Order, please. Order. I'm very close to interpreting that statement as a challenge to the Chair. And I think the hon. member should, at this point, cease and desist from that line, or I'm going to have to call you to order. You may continue.

**Mr. Anguish:** — Well I believe you did call me to order, and I respect the ruling that you make. I'm very happy you didn't interpret it as me challenging the Chair, Mr. Chairman, because I wasn't challenging the Chair. And I have no intention of challenging the Chair here this evening.

But I can think of some courtesies that are offered in most legislatures and parliaments, which are almost totally wiped out here. I can think . . . And it has nothing to do with the rulings, has nothing to do with chairman or Speaker. But the courtesy, when our leader gave to your office one morning back in June or July a resolution honouring the 25th anniversary of medicare in the province of Saskatchewan, and gave to your office as a courtesy between parliamentarians or people who should be statesmen, and he said to you, Mr. Premier, in that correspondence, that he would rise at the first opportunity after question period to put forward the resolution — and, I'm sure, hoping that your party would show some respect to that as well — what happened right after question period on that particular day? The member from Redberry stands up and reads out the resolution, word for word, as if to take credit for it under false pretences, deceiving people in the province of Saskatchewan, Mr. Premier.

And so maybe I was wrong in wording rules for one side,

rules for the other side. I was wrong in saying that. It was a misinterpretation on my part, and I apologize to the chairman.

The point I'm trying to make, Mr. Premier, is that the legislature can't operate under those kinds of traditions. For many, many years, the parliamentary and the legislative system has built up. And it's not only the written rules that count, it's the rules of courtesy, it's the conventions and the tradition that's been built up over the years. And your government does not respect that in any degree whatsoever.

And I would ask you if you would give leadership to the government, through your position as the head of the Executive Council, to make sure that there is some respect put back into the institution that we serve in. And if we can have respect in it, then also the people of Saskatchewan can.

**Hon. Mr. Devine:** — Mr. Chairman, I will ask the hon. member to stand in his place and apologize when I point out that the 25th anniversary, whatever . . .

**An Hon. Member:** — You don't even know.

**Hon. Mr. Devine:** — Well, come on, just let me say, it was gazetted way in advance of the Leader of the Opposition or anybody even bringing a resolution to me. It was already published. We had already acknowledged it. And I will expect an apology from you.

We passed it in cabinet and it was gazetted and the fact that we're going to celebrate the anniversary of medicare was out long before you even raised it. so you stand there like a sanctimonious, self-righteous socialist again.

We had already passed it in cabinet, and it was printed and gazetted, and then you raised it, and you said, for Heaven's sake, my gosh, you didn't respect the fact that we raised it. And that's the very fact. We'll dig it up for you and show you that it was gazetted before you even thought about it. We passed it.

So, I mean, don't . . . You know, you stand there like this is really something that we did left-handed or forgot about. We did it and raised it in cabinet and gazetted it before it was ever raised in this legislature and before anything got to my office before a resolution. That's the facts.

So if we acknowledged it and we had it on paper, then we're entitled to make the resolution like you are. In fact, we did it ahead of you.

So don't come on my case because we followed you. You were after us in terms of acknowledging the recognition of medicare, and you were after us with respect to extra billing, and you're behind us in terms of a lot of other things. Okay?

So I am not at all intimidated by you standing there and saying, well, for Heaven's sake, we haven't treated you fairly. If it was dealt with in cabinet and it was gazetted, then you, sir, owe me and this whole bunch an apology.

(2045)

**Mr. Anguish:** — I certainly will not apologize for the statements I've made here this evening, Mr. Premier. I have no intention of doing that. The facts that I related to you, if you discussed it in cabinet, fine, but the coincidence was awful great on the day that the resolution was put forward. And in most institutions where there is respect for the system, it could have been a joint resolution, showing some sort of support from both sides of the House for medicare on its 25th anniversary.

So you wonder why we sometimes question the credibility. I've had one of my colleagues here get the consolidated statement of income and retained earnings for the Prince Albert Pulp Company, ending December 31, 1981. In that year, there was a net income — net income, 1981 — of \$24.132 million.

**An Hon. Member:** — Whose figures are those?

**Mr. Anguish:** — The member from Cut Knife-Lloyd says, whose figures are those. Peat Marwick Mitchell & Company. It's an auditor's report to the shareholders dated February 12, 1982. And I would ask that the page take this and table those figures . . . (inaudible interjection) . . . Oh, oh, are you questioning the integrity of Peat Marwick Mitchell & Company in their audit? They're private sector auditors, Mr. Premier.

And, Mr. Chairman, Mr. Chairman, they're making some kind of accusations, and I can't pick it up. So if they would just be quiet over there and when I finish, then the Premier can respond to these in whichever way he wants to.

But the point is, Mr. Chairman, it's hard for people to take credibly what the Premier says when he can stand and say oh, PAPCO is losing \$91,000 a day, yet the financial statements — one of which I sent over to you — shows a net income for the year ending 1981, December 31, 1981, of \$24.132 million. And it goes on in the statement for the 12 months ended March 31, 1980, with a net income of \$23,461,879. Now anybody with any degree of accounting would understand that you can't be losing \$91,000 a day, Mr. Chairman. So I've got those figures.

You make the assertion that we lost \$91,000 a day, that the people of Saskatchewan lost \$91,000 a day, but you don't have the figures in the past that would substantiate that. The two years I can get just prior to you taking office don't substantiate that. When did it start losing money? As soon as you took office it started losing money because you drove it into the ground.

**Hon. Mr. Devine:** — Mr. Chairman, the hon. member . . . And we'll go back and dig up the information because we're certainly not going to let you make a point that covers up your big loss. Now I will go back and I will confirm these figures, and I don't have them all tonight, but obviously you came with some figures of your own. From what I recall about the debate some time ago is that you never paid the interest and you never charged interest to that pulp company. You borrowed the money and bought the pulp company, and then said, okay, do an audited statement but don't pay any of that back and don't pay the bankers off — just like you did potash, like

land bank.

Land bank is a typical example and I'm familiar with that one because we just finished it. You borrowed the money from land bank, borrowed it from the banks, and you never paid them back. You borrowed the money, and then you go to a farmer and say, well how's your audited statement? And the guy says, well I'm making some money on land bank. I get a nice little lease — okay? — and I'm making some money. And you say, hey, look at this, it's profitable. But you never paid it back — the same with PAPCO.

If you go back and look . . . and we'll check this out. If they didn't pay for that borrowed money and that wasn't included in here, and obviously there was this big debt. Nobody was making the payments — \$91,000 a day in interest and loss. Okay? For Heaven's sakes, my friend, you can't have it both ways. Who was going to pay for that borrowed money?

Well, Mr. Chairman, just let me say this: the hon. member knows that you lost all this money and he knows, as a matter of fact, that you didn't pay it back. And he knows there's interest on the debt as there is in potash, land, and the pulp company. So I'll dig up the information; I'll have my officials go for it. And if, in fact, you didn't pay it back, then I'll expect an apology on that account too. Okay. So you'll owe me two of them.

We'll dig up the information and that will be two apologies, and we'll square it with two cups of coffee. Okay? You and I can meet downtown, but you will owe me two as you were wrong on both accounts?

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — My constituents would be very upset if they caught me downtown having coffee with you, Mr. Premier, and apologizing.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — I think, Mr. Premier, you slam the credibility of the private accounting firm by not accepting the statements that they prepared. There was no pressure or coercion from the government. I hope you're not implying that, because if you are, then there should be an apology from you to this side of the House because we never coerced people into doing things that they didn't want to do.

Mr. Premier, some of my other colleagues want on here this evening, so I have a couple of other things I'd like to address. It's just the whole partisanship nature which you operate. Any time you want to strike a committee to go out around the province, if it was a serious attempt to . . . (inaudible interjection) . . . Are you keeping order in the House here, Mr. Chairman? Are you keeping order in the House?

Well thank you very much, Mr. Chairman.

Actually, what we'll go on to is . . . Mr. Premier, I think that many people in the province of Saskatchewan are disappointed in what they've seen happen. You tell them



one thing, you turn out the propaganda to people in the province but statistics — anybody who looks at statistics — tell them a totally different story. And what people feel in their pocket is they feel less services and a heavier tax burden and a government that doesn't show much compassion for the state of affairs that they are in — and people are in very trying times.

I would like to know, Mr. Premier, what your views are on diversification of the energy sector in the province of Saskatchewan. And I know that you rely very heavily on your megaprojects and your heavy oil upgrader here in Regina, the NewGrade project, which I think is a very good project. That's another bouquet and that'll maybe be the last one that you'd ever get from me.

But I want to know, Mr. Premier, whether you see room for another upgrader in the province of Saskatchewan, and whether or not there can be greater diversification in the province in terms of our energy so that all regions can become a little more self-sufficient. Like, Saskatchewan can quite well be a province of regions. Canada being a country of regions, the province of Saskatchewan can also be a province of regions. And I'm wondering, Mr. Premier, if you have any plans on diversifying in the province of Saskatchewan to the extent that regions of the province can better take care of themselves in food production; better take care of themselves in their energy requirements and the communications within those industries. I think that there are many areas in the province, in the wood area, where we can have wood fired electrical generators. I know they got one that's started up over in Lac la Biche, vertical axis turbines in some of the northern rivers — things like that.

Do you have a view of Saskatchewan that's a really truly decentralized province, where regions of the province can take care of themselves better? Or do you believe in going the way of all bigger and better, and moving people into centralized locations in the province? And I certainly hope that you have a view of the province that is more conducive to the way in which Saskatchewan people have lived over many, many years since this province came into being.

**Hon. Mr. Devine:** — Well, that's a pretty good question, Mr. Chairman. I was going to say when I invited my hon. friend out for coffee, we should go with the chamber of commerce from North Battleford, because they're good. When we go out for coffee, let's go out in North Battleford with the chamber of commerce — okay? — so that you and I can both be with them, because I know that you're big fans of the chamber.

In my discussion with the chambers of commerce and boards of trade across the province, the whole question of diversification comes up all the time. That's one of the reasons that we have implemented the rural gas distribution system province-wide; our individual line service for telephones, so people can have immediate communication; why we're burying power lines across the province for economic reasons and safety reasons and aesthetic reasons for rural Saskatchewan — about \$1.5 billion in those three projects alone; ethanol projects; feeder associations; paper, that we're doing; recreational vehicles in North Battleford; bacon that we're looking at

there.

And yes, in terms of oil exploration and processing and upgrading, wherever we can encourage it. We've got projects going with Mitimitsu of Japan on Kindersley heavy crude, to look at the possibility of upgrading. We are exploring the whole possibility with other companies. You've seen major exploration.

So whether it's pulp or paper or bacon or processing, manufacturing, turbines, rural infrastructure, community corporations . . . And please, let's not forget, crop insurance has moved out of Regina, going to Melville. And the agricultural credit corporation is moved to Swift Current, out of Regina. And science and technology is lock, stock, and barrel in Saskatoon, out of Regina.

And we've expanded facilities around the province in terms of technical education, technical education so that people can have education. For example, your old riding and home of Meadow Lake, we've got technical education going on there. Decentralization and distance education, associated with rural people and rural life-style.

And somebody just mentioned the Sask Water Corporation moved form here to the city of Moose Jaw. So yes, diversification and rural support in building is extremely important to us, Mr. Chairman. We're spending literally billions of dollars in support of rural Saskatchewan, not only in terms of support in drought and flood and low interest rate payments and protection for farmers, but for community development, education, and indeed health care.

(2100)

**Mr. Lautermilch:** — Thank you, Mr. Chairman. I have a few comments to make. And I want to address the Premier in terms of his credibility, or lack thereof, and that of his Executive Council as well. You don't want to talk about the profit and loss statement of PAPCO, apparently, and that's fine.

But I just want to share with you a few facts that the people of Prince Albert are very clear with, and the people that work in there as well — people who have worked in accounting in that mill, and people who are familiar with the operation of it. And I think, Mr. Premier, if you were to be fair about this, you would understand that what they say about that mill is true, and they don't believe your \$91,000 a day figure any more that we do.

I want to share with you a little piece out of the *Toronto Globe and Mail* where one of the former executives of that corporation indicated that in two years that that debt could have been retired on that mill. And I want to also share with you that in the last third, the third and the fourth quarter in 1986, just after you sold that mill — or, pardon me, gave it — to Weyerhaeuser, that thing returned profits of some \$15 million.

I want to, as well, share with you, Mr. Minister, or Mr. Premier, that your minister in Crown corporation estimates, when I asked if he had an independent audit done, an independent appraisal done of the worth of that

mill, couldn't tell me if he had or if he couldn't. One of your former executive tells us that they sold it for \$100 million less than what the worth of that mill was. But you don't want to talk about that. You still talk about your rhetoric hype, the \$91,000 a day that PAPCO apparently lost, to your figures that you spent hundreds of thousands of dollars trying to sell throughout this province, but that nobody believes you.

And I've got a little piece of paper in my hand that gives the 1986 industry performance of the pulp and paper industry which you could've had access to if you were interested. It gave the forecast for 1987, which indicated the pulp and paper industry was going to have a very good year and return very great profits. But you want to talk about ideologues. That's what you are. You would sell any asset, any Crown corporation in this province just for strictly ideological reasons with no clear understanding of what to do with the profits from a Crown and how to turn it back into health care and whatever. But that's you. You're ideologues. That's what you are.

And I say you're on the same track with the sale of the plywood plant, the same track of the plywood plant in Hudson Bay. And I'm not afraid to stand up here, Mr. Premier, and to say to the people of this province that my belief is that you're going to undervalue that mill when you sell it; and I'm also saying on behalf of the people of this province that you're going to be giving away another very valuable asset.

And I say to you as well that I wouldn't be surprised if you've got one of your board of directors involved in the sale and in the purchase of that particular plant. But that's the credibility you've got and that's why you're 24 per cent in the polls behind the New Democrats in this province. And that's why you indicated earlier that when my colleagues were beating on you, you were doing the same to a former administration when they were downhill. And I'm telling you, that you're on the way down the same as what that former administration was.

But, Mr. Minister, I don't believe, I don't believe that you've got the courage to correct it by delivering an honest, a reasonable, a business-like government because you haven't done it in the five and a half years you've been in power, and I don't believe you've got the ability to turn that around.

And I just want to ask you, if you are aware, Mr. Premier, I only have one question for you tonight. Only one question tonight, and if you'll quit yapping, you might be able to hear my question. And I ask you this, Mr. Premier: do you know what the market value of the Hudson Bay plywood plant is? Do you care? I don't believe you care but I want to know if you've had an independent appraisal done of the assets of that particular plywood mill.

And as well, I want an answer to the question as to who you're going to sell it to. And I would like to know if you're going to have some of the management or some of the board of directors of that mill involved in the purchase of the mill?

**Hon. Mr. Devine:** — Well, Mr. Chairman, I got this

information and I'll share it with the hon. member — if you'll just bear . . . it will just take a minute — from North Battleford, or The Battlefords. This is the *Saskatchewan Gazette* and it's June 12, 1987. And in there on "Special Days", we have it here, just so the hon. member knows:

The following day has been designated by the Minister of Health, Province of Saskatchewan, Medicare Day, July 2nd, 1987.

That was published on June 12. Then in the legislature on June 30, the Hon. Allan Blakeney stands up and moves a motion with respect to celebrating the anniversary of medicare. Now I think you owe me an apology.

On the 12, it was gazetted. On the 12, it was gazetted, and we said that we would celebrate Medicare Day, July 2, 1987, and it's published for the whole province to look at. And you get on my case because we have a motion that is apparently the same as your leader.

Now you go around and tell on your friends' stories all the time. I mean, I know that you're pretty good at it. You make up all this stuff and you go into the coffee shops and other places, and you tell them. If this is the kind of stuff your making up to them, I mean that's not fair. It's not fair. Right? this was published before you even raised it here in the legislature, or your leader did. So you don't . . . you know, you've got to play ball reasonably. So when we go for coffee, maybe I'll have one more cup with you when we got to North Battleford there, and tell your hon. friends.

With respect to the value of a particular project, I'll have to go get the appraised value of something. But I can say to the hon. member . . .

**An Hon. Member:** — Which project?

**Hon. Mr. Devine:** — Well, of any of it. I mean, I don't have the numbers here of every particular project, but I'll go dig it up . . .

**An Hon. Member:** — You were asked today. You were asked days ago.

**Hon. Mr. Devine:** — Yes, well I'll go find out. But I would just say to the hon. member, look it, you didn't sell it, and you didn't want to sell it, and you accumulated a large debt, and it was losing money every day. And it's not the workers' fault. Don't hang that one there. When you put that kind of debt on the workers, they can't pay it off. That's the problem.

You put this kind of debt on the potash corporation, you can't pay it off. You put that kind of debt on the landowners, they can't pay it off. It's not the people. It's your administration that borrowed money from banks, bought these assets, and then said to the people, you pay for them. And then when they couldn't pay, you said, we will eat the debt; we won't even charge you so you can go to peat Marwick and Mitchell and say, oh, look at the profit we're making because we give them the company.

Now, Mr. Chairman, we all know the philosophy of those opposite. I mean, clearly they're into the business of buying up everything; they like that. I mean, so we're not

going to agree. They want to buy farms and potash companies and pulp mills and all this stuff. You do that and we don't. We put it back into the private sector so that they can make money; you put it in the public sector so it can lose money. And you've been doing that for decades . . . well, for years and years and years all over the world; it's classic. I mean, find me a socialist country that's making all this money. I mean, we can look at 67 crop failures in a row in the Soviet union. I mean, it's all run by bureaucrats, right? And it's controlled by the government - we will tell you what to plant and when you plant and all the rest of this stuff. I mean, I suppose we can travel world-wide to find out.

But let's just put it in perspective. You agree that the government should own the pulp mill; I feel that the private sector should own it. And we might as well agree to disagree because you lost money in it; we're making money. It's not the people's fault, it's just a different financial arrangement.

**Mr. Anguish:** — Well, a couple of points, Mr. Premier . . . (inaudible interjection) . . . Send him out for one for me, too.

The date you refer to, June 12, when it was gazetted, you discussed the resolution in cabinet. That's what you said here this evening. Well you said then that the exact wording was related on June 30 by Leader of the Opposition. Is that correct? Is that what you said, Mr. Premier?

Well what I heard you say was June 12, it was gazetted; therefore, it had been passed by cabinet. June 30, you referred to a Blakeney resolution. Well, we're obviously talking about two different things, so I'm certainly not prepared to apologize to you because in my earlier accusation, it was not our leader that stood up in the House, it was your whip that stood up in the House on the motion I was talking about. So we're obviously on with two different things.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — And I would like to go back just a bit. The one concluding thing that I have to say, Mr. Premier, is on the debts going back to this \$91,000 a day. And you've never given any justification to the public of this legislature for those accusations you make, and you should owe me an apology.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — In fact, the apology should be for something more than that. Let's look at the record, let's look at the record — your own documents, Mr. Premier. The figures show that on March 31, 1982 the total debt in the province — the total debt in the province — was \$3.5 billion. After a few years of your administration, six years later, March 31, 1988, the total debt will be \$10.9 billion — an increase of \$7.4 billion, Mr. Premier. You're the one with six consecutive accumulated deficits in the province, now totalling \$3.4 billion, and there was no accumulated deficit before. So I'd like you to stand up and do some more ranting and raving about debt and deficit because you're the expert on it.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Well, Mr. Chairman, I will just reiterate to my good friend from The Battlefords, my coffee partner here. Clearly, if you'd have taken the \$800 million that you borrowed in the '70s and just put it in the bank — it's over \$2.3 billion — there wouldn't be an accumulated debt at all. Now you borrowed money for potash and it's lost.

**An Hon. Member:** — That is intellectual stupidity, never mind dishonesty.

**Hon. Mr. Devine:** — The member from Regina North East can't stand the heat, Mr. Chairman. Look, you'll get a chance.

**An Hon. Member:** — You're the economist; you're supposed to be the expert.

**Hon. Mr. Devine:** — Well my M.B.A. and my Ph.D. are two more than you have. Okay?

Mr. Chairman, just let me point out that in PAPCO . . .

**An Hon. Member:** — Intellectual snobbery.

**Hon. Mr. Devine:** — Mr. Chairman, they don't like the truth. Mr. Chairman, they don't like the truth. let me say, the Crown Management Board . . .

**Mr. Chairman:** — Order, order, order. Order! All members of this House get the opportunity to enter into the debate without hollering from their seats. I would ask members to allow the Premier to make his comments.

**Hon. Mr. Devine:** — Mr. Chairman, let me just say to my hon. colleagues that the Crown Management Board invested a hundred and six . . . \$80 million to purchase 100 per cent of PAPCO by December 31, 1980. From 1981 to 1985, it incurred another operating loss of \$42 million. In addition, the Crown Management Board incurred interest expenses of \$124 million.

Now when you put that together with the fact that it is not making money, and the interest and the money you borrowed was not returned, and you never paid the interest on it, like you didn't pay the interest on the potash and you didn't pay the interest on the land bank and you didn't pay the interest on all this money, but you kept saying we have a balanced budget, didn't you? Right?

You borrowed all this money, billions in the Crowns, and you say, but it's balanced, but you never paid it back. Do you get my point? You never paid it back. You never paid any of that money back, and then today you say, well the potash corporation, for Heaven's sakes, it's only 4 or 5 or \$800 million in the hole. Well, who bought it? I didn't buy it; no member here bought it — you bought it.

Do you know what? It was already here. PAPCO was here, the land was here, the potash companies were here, all those assets were here. And you went to New York, borrowed American money at an exchange rate that was floating and bought what was already here. Now if that

isn't classic socialism.

**An Hon. Member:** — . . . think our philosophy differs?

**Hon. Mr. Devine:** — Well I would think so. I would think maybe it does. The member from The Battlefords says his philosophy's different than mine, Mr. Chairman. We should just agree to disagree.

He believes in buying the assets that are already here with borrowed money, which is the truth, right? You borrowed the money from New York bankers at a floating exchange rate to buy what was already here, and you said to the people, isn't this good because the people own it. Why didn't you buy the roads? Why didn't you buy the lakes? You could have bought the legislature back. You could have borrowed and bought the whole darn province. Okay?

We are putting it into the private sector like it was when the province was started. Farmers want to own their own land. People want to build their own plants. People want to build bacon plants and recreational vehicle manufacturing plants. They don't want the province to buy it all back. This is classic.

And now I know why we have the legislature sitting 110 or 11 days. Finally we get to the nub of it. You want to buy the province and borrow the money from New York and not pay it back. We want to give it to the people and let them run it, and it's classic difference, Mr. Chairman.

For Heaven's sakes, they lost all this money, and they said well, well, well, well. We shouldn't have maybe borrowed at such high interest rates, they said. They wouldn't help anybody else with interest rates, but they would go to New York, spend \$800 million, never pay any of it back, put the burden on the workers in P.A., or land bank, or the potash mines, blame the workers, say oh, we're not making it — never paid it back, and then see the debt accumulate here, and say oh, but it's somebody else's fault. Well I didn't borrow the money to buy those assets; you did, and you'll have to eat that history for a long time.

(2115)

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — Thank you very much, Mr. Chair. Mr. Premier, no other premier in the history of this province has assaulted our health care system such as you have — not even Ross Thatcher, the Liberal premier of the late '60s. Mr. Minister, or Mr. Premier, you will recall the kind of price Ross Thatcher paid when his government decided to attack and undermine our health care system.

Mr. Premier, you led your government to victory, to power in April of 1982 with some guarantees. You guaranteed the people of this province that you would expand the health care system and have a health care system superior to any other part of this country or this world. And, Mr. Minister, that guarantee is absolute is absolutely worthless today — absolutely worthless. It means absolutely nothing. Your word means nothing. Your word — the country boy from rural Saskatchewan's word —

means nothing to the people of this province.

And I want to review what you and your colleagues have done to our health care system in the last year. And this is for this year alone, Mr. Premier. you have cut the health care budget by \$18.6 million. You say that you've increased the health budget by \$33 million, and that is simply not true. What we have in this province is an \$18.6 million cut.

You say that you've had to cut the prescription drug plan because senior citizens in this province were abusing drugs. Mr. Premier, that's not true. That's another untruth on the part of you, and the people of this province don't accept it. You say that you had to cut the children's school-based dental program because parents were asking that dental therapists no longer look after their children's teeth and that this particular health care service to the public be transferred to private dentists.

And once again, Mr. Premier, when we asked your Minister of Health to table the letters from parents in this province asking for the school-based children's dental plan to be eliminated, he sat in his chair for some 10 minutes and didn't do that because he couldn't. Parents were not asking for the school-based children's dental plan to be eliminated.

Mr. Premier, your minister says on your behalf that the health care budget for hospitals has increased significantly. And when we examine the increase under budget items for hospital funding, we find that it is only increased by one-half of 1 per cent. And this is while inflation rate in this province is running at 6 per cent, higher than any other part of the country.

And, Mr. Premier, hospitals in this province are sadly and grossly underfunded, and health workers in this province are telling us that they're getting out of the health care profession because they can no longer take the stress of what your underfunding to the system is doing to them.

Mr. Premier, your minister and your government has cut rural mental health services. There used to be a time in this province when rural people had access to rural mental health clinics. Mr. Premier, that is no longer the case because a number of those clinics have been closed. Particularly at a time when the agricultural crisis in this province is deeper and worse than any other time in our history, farm families need access to those kinds of services and, Mr. Premier, they're no longer available to many farm families.

Mr. Premier, your minister has also admitted that your government cut 16 positions in the public health profession in this province. Mr. Premier, that means that there are families in this province that no longer have access to pre-natal and post-natal care. In fact, Mr. Premier, in your own constituency of Estevan there have been no pre-natal courses held in that city delivered by public health nurses since the end of June because of your health care cuts.

We also have a situation, Mr. Premier, where a number of families no longer have access to post-natal health care because the public health nurses do not have the time and

they are so understaffed that they cannot possibly visit every new mother who has just had a baby.

In addition, Mr. Premier, your government has increased home care fees to the elderly and the sick and the disabled by 66 per cent — 66 per cent at one time. And, Mr. Premier, at a time when you are cutting back on the construction of nursing homes in this province, we have a situation where senior citizens are telling us — and I'm sure they're telling you — that they can no longer afford that particular health care service that allowed them to maintain some form of independence in their own home as a result of the service that was delivered by home care across this province.

And then we have a situation where nursing fee increases have gone up to an extent that many, many senior citizens have only \$100 a month to spend on all of their personal effects. In fact, Mr. Premier, in this year alone, we've experienced an 18 per cent increase in nursing home — an 18 per cent increase in a seven-month period. How is that fair, Mr. Premier?

Mr. Premier, in addition, when we asked about speech therapist positions in this province we were advised by the Minister of Health that many of those positions had been cut. At a time when children who are young and disabled require those kinds of services, your government is cutting back. And I can assure you that a cut-back today will mean more expense in the days ahead because of lost services and lost opportunity for those children.

We also have a situation where the audiologist positions in this province have been cut. We have senior citizens and hearing impaired people waiting for 6, 7, 8, 12 months to get into see an audiologist at the hearing aid plan. Now, Mr. Minister, at a time when senior citizens and hearing impaired people are hard pressed, they no longer have access to that service because of the hearing aid waiting list.

And, Mr. Premier, many of those people are finding themselves having to go to a private entrepreneur for a hearing aid at a much increased cost to them. A hearing aid provided by the hearing aid plan is offered to the public at cost. People who go to see the private industry are paying 1,200 to \$1,500 for an aid.

Mr. Premier, many of those people are telling us that they can't afford not to hear but they can't afford to go see a private audiologist or a private entrepreneur who is providing this kind of service.

In addition, Mr. Premier, your minister has cut — and your government has cut — physiotherapy services to disabled children. We've had letter after letter after letter from parents who are telling us that while their child used to receive physiotherapy services two or three times a week, that they've been cut back to one or two times a year. And in a province like ours, Mr. Premier, where health care is a number one priority of the people of this province, that is totally unacceptable. Totally unacceptable. When you cut physiotherapy services to disabled children now, we are going to pay through our health care system at a later date for orthopedic surgery and all of the other kinds of services that will be needed

because these children have not had the opportunity to be independent.

Mr. Premier, I want you to justify to the people of this province why, when you know full well that health is an important priority of this province, why your government has cut back our health care system to such an extent that you are frightening a whole lot of people because they no longer feel secure in knowing that regardless of how sick they are, or how low their income is — regardless of all the kinds of personal factors — that they will always have access to a health care system in this province. And that's simply not the case today.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Well, Mr. Chairman, I would say at the outset, in 1982 we campaigned that we would have the very best health care system in Canada, Mr. Chairman, and we do have the very best health care system in all of Canada in the province of Saskatchewan. And the hon. member knows that. She can't find a better health care system any place else in the nation. And whether it's drug, or dentist, or hospitals, or care, there's only one province in all of Canada that spends more money per capita and that's Alberta and they happen to have more money. But certainly that's not the case in any other jurisdiction.

We have an increase, 63 per cent expenditures over the NDP and if you take real dollars — that's constant dollars taking out inflation — real dollars since 1982, we have increased real health spending by 15.7 per cent, real dollar increases. During the last five years of your administration the real increase was less than half of that, at 7.2 per cent. And when you left office, this province had seen a real growth in health expenditures over and above inflation of about 4 per cent.

So, Mr. Chairman, I point out to the hon. member, your record when you were in power was not good and you ranked way behind other provinces. And the record of our administration is up in terms of constant dollars and real dollars above anything that you had and any other jurisdiction in Canada, except for the province of Alberta. We have increased our health care spending more than any of the four western provinces. Since 1982-83 real growth in the West has averaged 9.4 per cent a year, and in Saskatchewan it's 15.7 per cent.

Now, Mr. Chairman, I point that out to the hon. member. Now she can say . . . We may disagree where we spend that money, and that's fair enough, but you cannot say to the people that we're not spending more money in health. And don't say that, because it isn't true. You shouldn't tell seniors or anybody else that we are not spending more. Go out and say, the Premier of Saskatchewan is spending more money on health than he's ever spent, or we've ever spent in the history of the province. And that's accurate. And you know that's true — more money than every, ever before.

And you can say they removed extra billing, you can say they took the freeze off nursing homes, the moratorium that you had on. We've got 2,000 more spaces. You can say we've got more money for seniors, \$500 per

individual; \$700 a couple for low income seniors. You didn't have that. And we could build new rehabilitation centres and additions to University Hospital, additions to St. Paul's Hospital, building a brand-new City Hospital, additional to Pasqua Hospital, the General Hospital, a rehabilitation centre here, CAT scans that we have traded potash for — none of that was done under the NDP.

And you run around and say the premier isn't spending as much? Now, come on . . . (inaudible interjection) . . . You didn't say that? Okay. You said that you don't agree where we're spending all this money. Well, let's agree on one thing. We're spending a lot more money than has ever been spent in the history of Saskatchewan and in real terms, and more than anybody in western Canada in the last four years, in real terms. And anybody watching this on television know two things: we're spending more money than you did and more money in real terms than anybody across western Canada; and the best expenditures per capita in all of Canada, except for Alberta. And they happen to have a heritage fund, and there isn't one here.

Now with new hospitals and new facilities and new CAT scans and new facilities for senior citizens like nursing care spaces, now we are beginning to get to where we should be. And you left a legacy of a lot of rhetoric and not much expenditure. And people were saying, well they talk a lot about it, but where's the money? And where's the allocation to health care?

Now your new leader, your new leader says — and I quote from him or I paraphrase from him — he said, we should ration technology because all it does is cost more money and it goes into doctors' salaries. The member from Riversdale, your new leader, what's he say about new technology and health care? I want the people in this province to know that. The new NDP leader, the man from Riversdale, says, ration technology and health care because all it is is an excuse to go give increases in salaries to doctors. He's on the record of saying that.

What does he say about senior citizen accommodations? Don't build; and keep the seniors out of institutions because it's a waste of money. That's what he says. That sounds to me like the late '70s and early '80s when the NDP and the member from Saskatoon South said, waiting lines in Saskatoon are a sign of efficiency in health care. I mean, he's on the record of saying that.

(2130)

Now if your new leader is saying, no new technology because we got to ration it for seniors; no new facilities because we shouldn't put seniors into facilities, it's not the way to go — and he's on the record. And the former minister of health for the NDP is saying, long line-ups are a sign of efficiency. And you look at your real record and believe me, I'll go into every nursing home in this province, I'll show them your record of building and expenditures, and it's pathetic compared to this one. And you know it.

Every single nursing home is going to get that information plus your new leader's attitude, plus the NDP's minister's of Health attitude about waiting lines and efficiency and

being scrimpy about money and health. Why didn't you remove extra billing? Where were you? Medicare — you wouldn't remove extra billing, you'd charge all those senior citizens and frighten them. You did and you're NDP. But you wouldn't touch extra billing because you wouldn't have the courage to deal with it. You can talk but you didn't spend the money, you didn't build the nursing homes, you didn't build the new hospitals, you didn't create the new rehabilitation centre, you didn't put in CAT scans. You just talk — and talk is cheap, young lady, and you know that.

So we can go back and forth and we can talk about your rhetoric and your expenditures. You can talk about Manitoba's, you can talk about the history, but let's look at today.

Your expenditures compared to our expenditures are a paltry amount of money. My friend from Saskatoon Nutana . . . and I know that riding fairly well. I've knocked doors there a couple of times; I have a lot of good friends there.

**An Hon. Member:** — It didn't do any good, Grant.

**Hon. Mr. Devine:** — It did me a lot of good. It got me right to where I am today.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — I had the courage to go run, just to provide a little moral support for my colleagues.

The following — if I could share with the hon. member — the following are the quotes from, and I can't use his name, but the member from Riversdale, August-September 1985, on the issue of hospital products and technology. In that magazine called *Hospital Products & Technology* magazine, the member from Riversdale made the remarks in his speech at an annual meeting of the Canadian Hospital Association, and it says:

(The member from Riversdale) did not pull any punches when he told a large audience of hospital board members and administrators that if politicians try to cope with sickness problems of our ageing population by building more hospitals or similar facilities, the cost will be prohibitive and the results disastrous.

Now wait until everybody in the nursing home gets that information, and everybody in hospitals. This is the new leader of the NDP, his new philosophy:

What we need is a national drive to keep old people out of hospitals and old folks homes (he says).

I can tell you, my friend from Saskatoon Nutana, every senior citizen is going to find out about the new NDP leader's philosophy about health care — ration technology. And he goes on to say:

I feel that rationing of high-cost technology is desperately needed.

Is this your new leader? Is this the brand-new plan for health care?

Let me just take you back; let me take you back. You want to be looking at campaigning, and you want to look at the truth. You just walk with me any place you want to go in nursing homes, and you say, who spent more money on health care, the PC government or the NDP? And the truth is the PC government spent more. Who took off extra billing? We did. Who built more hospital facilities? We did. Who plans on having the best health care system in the country? We do. And what does the new NDP leader say? Ration the technology, keep the old folks out of institutions, don't build any more, and he's on the record. No, he would have enough courage, and he stood here to nationalize the potash industry, and he didn't even have enough foresight to take potash and trade it for technology like CAT scans. They're some of the best technology you'll find in the world today.

And you were pretty high on potash — you bought half the industry with borrowed money from New York — but you didn't have the courage to break out and trade and even get new technology. Well, my friend from Nutana, you want to look at your health care record, you want to look at expenditures, and you want to look at the facilities, and you will not look at the new technology. I'll compare our record to your record any day of the week.

Finally, let me say this. With respect to young people in Nutana, the families in Nutana, I think you should go back and ask some of them there with respect to the number one social problem in Nutana. What is it? What is it in P.a.? What is it in Saskatoon and Regina? It was on them national news this morning. What's the number one problem that we have to address young people? What is it? Is it their teeth? Saskatoon Nutana MLA, I ask you, is for young people in your riding, for teenagers, what's the number one social problem? Is it their teeth, I ask you? No, it's not their teeth. Parents won't complain about teenagers' teeth. They'll say it is drug abuse and drug and alcohol abuse, and they are frightened by it, parents are. The NDP will not address it; they didn't in the past.

And we have said, and we've talked to families all across this province. For young people, let's put some money for drug and alcohol rehabilitation and treatment and education and awareness, and I haven't heard one NDPer stand up and acknowledge that. And if drugs are a problem across the province with young people, doctors and medical people are saying it's a problem even with senior citizens, and society should address that — at least be careful. And no — won't be addressed by anybody over there.

And when we spend money on the finest new drug rehabilitation centre in all of Canada for young people, do we get any bouquets from the NDP? Are you concerned about the youth? Do you know what you say? We should have free dental care for teenagers, that's what they say. go fix their cavities free, but don't worry about drug abuse, and drug and alcohol, and combinations of chemicals and alcohol together. You don't even recognize the problem.

Well, let me say, your people do, and their parents do. And they're saying to me, build that new facility and provide awareness and education of the schools in communities. Do it with the churches, do it with families, do it with the police, do it law enforcement, do it . . . you know, clamp down on all those people that are peddling drugs. Take that on.

Now I would like some support from you and some of your colleagues to make sure that we can get some of that done. So in terms of priorities, let me just say, you don't want to spend money on drug and alcohol abuse and awareness, fine, you make that decision; you'd rather see the money go on fixing teenagers cavities for nothing — free. We have chosen to help young people address the drug problem. We find murders around Regina — murders and stealing and theft. And the theft is not because they're hungry; they're not stealing food.

Many of the problems that we face today are related to crime, related to drugs. Mr. Chairman, we will continue to stay the course with respect to providing those kinds of expenditures in health care.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — Well the young man from Estevan has just taken us on another flight of his fantasy.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — And let's settle this once and for all, Mr. Premier. Why don't you call the by-election in Eastview? Why don't you call the by-election in Eastview and we will determine who they believe when it comes to health care? Do they believe you, Mr. Premier, or do they believe the New Democrats and the leader of our party? Who will they believe? Let's put it all to a test, Mr. Premier. In a week or two, call a by-election.

I understand you can't even find a candidate because you don't have a conservative in the area who has enough staying power. We know what happened to the previous MLA, Kim Young; we know what happened to your new MLA, Mr. Martineau. They left a sinking ship, Mr. Premier. That's what's happened. They had no staying power.

Now my question to you is this: you talk about this 63 per cent increase, and I want to talk about the 63 per cent increase. When you talk about a 63 per cent increase, do you include long-term care administration which wasn't part of the budget in 1981-'82 under our government? do you include the Lakeside home at Wolseley? Do you include northern health services or payments to the Saskatchewan Property Management Corporation? or do you include grants and allowances for ambulance services, or grants and allowances for home care, or grants and allowances for special care services, or grants to special care facilities under the Saskatchewan Property Management Corporation, or do you include the cabinet minister's salary?

I'd like to know, when you talk about your 63 per cent increase, do you include those items that your government has moved

out of other departments, moved them into the Department of Health? And now tell us another flight of fantasy, that there's been a 63 per cent increase.

**Hon. Mr. Devine:** — Mr. Chairman, we have, for example, for a number of years now, provided integrated hospitals. And they used to be separated, and we have combined them. And it makes a great deal of sense, because they're integrated units.

And you say, well you used to spend the money on nursing homes, and you used to spend the money on Health, and we've said — and I can think of one in my riding, in Lampman, for example. And we've built a brand-new nursing home facility and tucked it into the hospital, and we've got the same medical staff and the same kitchen staff and economies of scale. And, you know, you didn't think about that, and you didn't do it, and that is part of the Health budget.

It's like we were into with the Education budget. Somebody was saying, well you spend \$750 million, but this 10 million is in the property management Crown, and it may be in construction of new schools, and is that legitimate? And so, I mean, we're spending so much more money in health care than you are — than you did, and anybody else in Canada. I mean, you've got into playing some of these accounting games. I mean, it's tremendous amounts of money and tremendous increases.

Now let me go back and say, the by-election. You want a by-election. And if you win the by-election, you will say that you will have everybody on your side. And if I win the by-election, we will say that everybody's on our side, okay? Okay.

Now the major thing to say is this, right? You did the very same thing in Regina North East. You asked for a by-election and you won it, and you said, oh, everybody believes the New Democrats are going to form government. We have a general election, and you're defeated again. And so as soon as the general election is over, you want another election. And you'll have a by-election, and whether we win it or you win it, you'll want another general election, right? Because if you win it, you'll say, well now it's time for a major one; and if you lose it, you say, well give us another chance.

I mean, you have been doing this now since you lost in 1982. It doesn't prove anything. You've had by-elections, and you've won some. You've held by-elections, and you may lose some. What really counts is at the end of your four or five years, you go through this process, and the people are always right. They will either elect the NDP and all its rhetoric, or they will re-elect the government because we've earned it.

So I can only say, Mr. Chairman, obviously they would like to have a by-election like they did in Regina North East to give them a little morale booster, and they'll be up 25 per cent in the polls in the next general election. We can recall what happened. They lost it. Well, I mean, so they called for an election the next day. They were calling election ever since we had one in '82; now we had one in '86, they called for another one. I mean, when you beat

them on the facts and you give the public the truth, because I don't believe they provide the truth to the nursing homes and the friends in the coffee shops, because I hear this rhetoric in here, they mislead them. But when you give it them, then all they can talk about is elections.

What would you talk about if you were behind in the polls? You'd really be in trouble, wouldn't you? Because you can't give them the information, and you couldn't go to a poll, and you couldn't give them facts with respect to managing government in terms of Crown corporations. You wouldn't have much left. You'd have to rely on your leader's view of health care, which frankly is pathetic.

So look, we'll have elections and by-elections and so forth, and you can crow if you win, and you can kind of shed a tear if you don't. And we'll go into the next general election, and that's where it really counts, and you know . . . Let's agree that we will have by-elections and general elections in this democratic process.

**Ms. Atkinson:** — Mr. Premier, did you cut the health care budget by \$18.6 million in this fiscal year?

**Hon. Mr. Devine:** — On page 50 of the Estimates 1987-88, we have the 1986-87 figure of 1.136 billion, and for 1987-88 it's 1.173 billion, and it's obviously an increase.

**Ms. Atkinson:** — Well, Mr. Premier, do you admit that there are some items that are contained in this budget that weren't contained in the budget last year, for instance, the payments to the Saskatchewan Property Management Corporation? Do you admit that if you take last year's budget along with the supplementary, the sups for last year, that there is, in fact, an \$18.6 million cut to the health care budget?

**Hon. Mr. Devine:** — Mr. Chairman, if you want to include last year's supplements, you'd have to include the possibility for another year's supplements. I mean, come on. And even if they were identical from one year to the next, at the level they're at now, it would completely dwarf any expenditures you had — a tremendous increase.

I mean, you're nickelling and diming over — I mean, that's probably what you do in nursing homes. You go around there and you tell people, oh my gosh, it's 10 million out here, when you don't tell them the increases. It's huge, absolutely huge, in real terms — 15 per cent compared to 4 per cent in other jurisdictions, and less than that from when you were in power.

So I mean, you can get into — as they did in Education — the property management Crown, because now it manages real estate and construction and so forth, that that isn't appropriate.

Well, the general increases are very large, and you want to include supplements from — well there may be supplements at any particular year. Maybe there will be supplements this year. We won't know until next year, now will we? This is last year's estimated expenditures, this year's estimated expenditures, and there is an



increase from one year to the next.

(2145)

**Ms. Atkinson:** — Mr. Minister, in payments to the Saskatchewan Property Management Corporation, there is an item for \$10,716,700. Can you tell me where this item came from? It's budget item 19.

**Hon. Mr. Devine:** — Well, Mr. Chairman, we went through this in Education. The Property Management Corporation is responsible for managing buildings and property, and that's allocated by department to department, and it has to come out of revenue some place. And it's allocated to health, it's allocated to education, it's allocated to departments across government. Now it has to be paid. And a certain amount of health facilities pay for it, a certain amount of education, a certain amount of others.

So you might not like the way the property management corporation is set up, but in terms of managing efficiently, we have a corporation that can now do it. And it manages like it does in the private sector, but I suppose you wouldn't understand that either.

**Ms. Atkinson:** — Well, Mr. Minister, it wasn't there. Let's turn to item 24. In item 24 is grants to hospitals, repayment of principal and interest on capital loans for the Saskatchewan Property Management Corporation.

Can you confirm that this budget item of \$4,575,600 was transferred to Health from Supply and Services? Can you confirm that?

**Hon. Mr. Devine:** — Mr. Chairman, I got to say as calmly as I can here that in 1979-80 the province of Saskatchewan ranked sixth in per capita expenditures in health, and by 1980-81 the province of Saskatchewan ranked fifth in expenditures in health. And in 1986-87 we were number two in the whole country, which means not only have we had real increases here, but compared to all other jurisdictions there's tremendous increase. And we rank right up there, number one in every possibility and every jurisdiction except for Alberta, with tremendous increases.

So the member from Nutana asked me, well grants to hospitals, is this in the right category, of \$4,575,000 with respect to the property management corporation? Now, I mean, we've had Health estimates here for hours and hours and hours and hours, and the Minister of Health and all the officials — I have no people here in Health.

I have my Executive Council estimates, and you are asking me about item number 24 on the Health budget with respect to hospital rent and property management corporation and will not acknowledge the fact that that the expenditures have increased dramatically. And we have the largest expenditures in Canada, with tremendous increase in facilities, removing of extra billing and saving people millions of dollars. And you're into line 24 because you've got nothing else to talk about, with respect to the property management corporation and how we manage rent, in payment of principal and interest, on capital and on equipment and on so forth —

as an accounting procedure. Well the fellows did the same thing in education. They didn't make any sense then, and I mean . . . look.

We are spending a lot of money on health. We are spending all our income tax money, and all our sales tax money, and all our oil royalties on health alone. That's more than has ever been spent in the history of Saskatchewan, and more than anybody across western Canada or all of Canada except Alberta. That's a very large increase. With new facilities, the removal of extra billing, all kinds of money for senior citizens and all kinds of new programs.

So if you want the details with respect to the management of the health care budget, you had Health estimates here that went into it at no end for hours and hours. So I can say that, I mean, the accounting mechanism on line 24 with respect to rental of property and the health care budget . . . I mean you want people who specialize in that. And my people here on Executive Council — general things we can deal with in terms of overall policy. The accounting procedures with respect to the Department of Finance in any great detail we'll leave to financial officials or to health care officials or others. You've had your chance.

**Ms. Atkinson:** — Mr. Premier, can you also confirm that item number 32 which is "Grants to special care facilities — repayment of principal and interest on capital loans from the Saskatchewan Property Management Corporation", that this item amounts to \$409,500 was transferred from the Supply and Services and it was not an item that was in last year's budget under Health?

Can you also confirm that the minister's salary, as well as his Legislative Secretary's salary of \$35,200, is now included in Health this year when it wasn't last year. This time last year was under Executive Council.

Can you confirm, Mr. Minister, that last year you had a capital expenditure fund or a health capital fund of \$75,400,000 and this year it's been decreased to \$66,527,000. Can you confirm all of that? And that, in fact, Mr. Minister, when you talk about an increase of some \$33 million, that that's simply not the truth; you're fudging the truth, you're stretching the truth, and that what we have here is some more jiggery-pokery by your government, some more falsehoods in terms of trying to convince the public that there's been a real increase in health spending when that's simply not true.

And will you admit, Mr. Premier, because you are the Premier of the province and your integrity and your credibility is at stake, will you admit that there has been an \$18.6 million cut in health care spending when you look at last year, the year 1986-87, and you compare it to this year, year '87-88?

**Hon. Mr. Devine:** — Well, Mr. Chairman, all I can do, and I will do, is read from the *Estimates* as they're outlined here. And you can read the footnotes as well as I can on how the accounting works. Let me say first of all, the expenditure increases in this administration on Health are as large as they've ever been in the history of the province, and larger than any that we've seen.

Now one of the footnotes says:

A portion of this subvote was included in the subvote payment to the Saskatchewan Property Management Corporation in the vote Supply and Services in 1986-87.

That's what it says. It's right there in the publication. Then there's a footnote that says:

This subvote was shown as Saskatchewan Medical Care Insurance Commission — To provide the provincial grant in 1986-87.

I mean, all you have to do is read it. That's what it says; that's how they account for it. You're saying that it's not evident in the publication. It's right there in the publication, in the footnote. Okay now, when you amalgamate parts of some departments . . .

Let me try it another way. You have used the argument, you have used the argument as the member from Saskatoon South has used the argument, that part of Social Services is in Health, therefore you can't count the Health expenditures because it's higher. Well if you go back and look at Social Services budget, it's up as well. So when you look at the total budgets and you look at the big combinations of things that we have increased . . . I mean, you can get into playing accounting, but it's all laid out just as plain as you like right there.

So that you can read the subvotes, and you can read the accounting principles in Education . . . the same point, let me try it this way, in Agriculture. Somebody has made the point, well you're spending less on Agriculture budget and cut it in half and it would be way higher than anything you've ever spent. Do you get the point? You are trying to say to people, well for heaven's sakes, part of this department in this area in this subvote was not the same as last year. And you're saying, I'm finding a little bit here and a little bit there. If you look at the overall expenditures in Health or in Agriculture, in Social Services or in Education, you will find quantum increases in expenditures since we've come into power, and that's the basic point.

**Ms. Atkinson:** — Well, Mr. Chairperson, we've had the Premier here tonight, and he has gone all over the province telling us all that he has increased health care spending by 63 per cent under his premiership. Now I just want to point out to the people of this province that when he talks about a 63 per cent increase, he's including a number of items that were not included in the Department of Health when we were the government in 1981-82.

And I just want to remind the Premier that under your government a number of items have been moved from other departments into the Department of Health budget. And those items include: long-term care administration; the Lakeside home at Wolseley; northern health services; payments to the property management corporation; payments to the property management corporation for hospitals; grants and allowances for ambulance services; grants and allowances for home care; grants and

allowances for special care services. We have another payment here for special care facilities to the property management corporation, and we also have the Executive Council's salary of the Premier and his Legislative Secretary.

So you can talk about the 63 per cent all you want, but, Mr. premier, that's not true. That's not true. And I think that it's time the people of this province knew that you go around this province day in and day out fantasizing about what, in fact, is reality. We saw it earlier when my colleague from P.A.-Duck Lake and my colleague from North Battleford talked about this untruth of \$91,000 a day when it came to the P.A. pulp mill. That wasn't true.

You talk about a 63 per cent increase. That's not true. You tell me to look at the blue book, which is the budget book for the Government of Saskatchewan; it outlines the kind of money you're spending. And you try to convince the people of this province you're spending an additional \$33 million on health care, and that's not true. It's not true.

And every time you stand up here in this legislature and go out in the public and you give people that kind of information, you are misleading the public, Mr. Premier. You are misleading the public, and people expect more from someone who is the Premier of this province. They want a statesman, and they want someone who will level with them. And you don't do that. You don't do it, and I think it's time you did, Mr. Premier.

I think the people of this province want to be proud of the kind of leadership displayed by their government because they take responsibility for the government they elect. And when you do what you've done to the people of this province, what you've done in the last year, you have misled them, and you've betrayed them.

And, Mr. Premier, there are lots and lots of people who have voted for you, lots of people who have voted for you who are terribly disappointed, terribly disappointed, because you did not level with them last fall. You didn't say, I'm going to cut the health care budget by \$18.6 million. You didn't say, I'm going to do away with the school-based children's dental plan. You didn't say you were going to introduce a deductible system for prescription drugs, and we now have a situation in this province where senior citizens and all kinds of people aren't taking their prescriptions because they can't afford them. You didn't tell people that. You didn't tell people a lot of things.

You told people that there wasn't a problem with the deficit, that you had it under control, and then when the truth was known, Mr. Premier, your Minister of Finance levelled and said there was an \$800 million deficit for last year alone. And when the press asked him, why are you telling us now, his response was, all politicians do this. And I want you to know, Mr. Premier, not all politicians do that. Some politicians have some integrity. Some politicians were elected to this legislature because they thought they could change things. Some politicians thought that.

And every time you open your mouth, and every time you

do something to the people of this province, I want you to know, Mr. Premier, that you do not represent them because you haven't got a mandate to do what you are doing. You don't have a mandate. And, Mr. Premier, you are the Premier of this province and you are expected to represent all of us — all of us.

You are my Premier as well, and that government over there is my government as well, because I see myself as a citizen of this province. But this isn't the kind of thing that lots of friends and lots of relatives voted for. That's not the kind of Conservative government that they wanted.

They didn't want a government that would hurt people, and, Mr. Premier, you have betrayed them. You have no compassion for the people in this province. You are not fair. You hurt people regularly, and I don't think that that's the kind of man you started out to be.

I don't think that's the kind of many you started out to be at all, but I think that you have lost all sense, all sense of decency. Power, Mr. Premier, has gone to your head, and sadly in this case, Mr. Premier, power corrupts.

**Some Hon. Members:** Hear, hear!

(2200)

**Hon. Mr. Devine:** — Well, Mr. Chairman, the hon. member can perhaps fool her colleagues, and she can go around and tell stories to some of her constituents and others that we don't spend money on health care and much more money than the NDP, and that's not the case, is it?

And you haven't even acknowledged tonight, and you have yet to acknowledge, that we spend more money on health care, significantly, than you do, and that you did. right? You won't acknowledge that . . . (inaudible interjection) . . . Well just sit and listen. The man from Regina North West is into the debate here. You want to talk about health care expenditures? why don't you admit that we spend more on health care? You hate to admit that. Why don't you admit that we removed extra billing. Well, would you like to remove extra billing?

**An Hon. Member:** — \$300 million on interest payments — where does that go? How does that help us?

**Hon. Mr. Devine:** — The member from Regina North West is a little upset when I say I removed extra billing, because the NDP didn't. right? Acknowledge that. It's \$1 million or more for senior citizens that didn't have any money, that doctors billed them, and you didn't have the courage to take it away.

Mr. Chairman, they will not admit . . . I'll tell you what they're after tonight. They're saying, Mr. Premier, it's not a 63 per cent increase. It might be a 64 or a 59 or a 58 or a 65, and you're out a percentage or something. That's what they're saying, because they know the quantum increase is very, very large.

Who removed extra billing? We did. Who has the . . . (inaudible interjection) . . . Now, Mr. Chairman, look it. When I want to get on my feet and talk about the kinds of

things they didn't do, and we did, they point to the clock.

Well, Mr. Chairman, I guess I will sit back and say one last word with respect to compassion: the 21 per cent interest rates that you allowed to hit people hurt them more than any single program in the history of Saskatchewan. When you let 21 per cent interest rates hit senior citizens, home owners and farmers, it was hundreds and thousands of dollars a month — a month. And that's where you lost credibility, and you will lose credibility for elections to come, because you really showed that you didn't care, and the people won't forget that.

**Some Hon. Members:** Hear, hear!

The committee reported progress.

The House adjourned at 10:04 p.m.