

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Sixteenth Legislature**  
**43rd Day**

**Thursday, April 16, 1970.**

The Assembly met at 11:00 o'clock a.m.  
On the Orders of the Day.

**WELCOME TO STUDENTS**

**Mr. Speaker:** — I wish to introduce to all Members of the Legislature a group of young people situated in the Speaker's gallery from the Canadian Forces Base at Dana. They are under the supervision of Captain Slater. They come from the constituency of Watrous represented by their Member, Mr. Schmeiser.

I am sure that all Members wish to extend to them a warm welcome and express the wish that they will enjoy themselves here and find their stay informative and educational, and wish them a safe trip home.

**Hon. Members:** — Hear, hear!

**STATEMENT**

**SASKATCHEWAN CENTRE OF ARTS**

**Hon. W.R. Thatcher** (Premier): — Mr. Speaker, before the Orders of the Day, I would like to make a statement to this House on the situation that has developed at the Saskatchewan Centre of the Arts.

As Hon. Members are aware, yesterday morning April 15, a strike was called and a picket line set up by the International Brotherhood of Electrical Workers.

I am informed that their demands are 44 per cent in one year when you include wage and fringe benefits. In passing I hope that Hon. Members will permit me to say that in my opinion these demands are completely unrealistic.

Their picket line was respected by all of the other unions yesterday and today. Thus it appears there will be no work at The Centre of the Arts until such time as the electrical workers' dispute is settled.

Mr. Speaker, as you are aware, the Opening Week was to have begun at The Centre on the 4th of May. Activities have been planned for some months. I would like to take a moment to review that week.

Monday night, it was planned that His Excellency the Governor General of Canada and Mrs. Michener would be present to open the building officially.

The Centre of the Arts had succeeded in engaging the services of Mr. Victor Borge — one of the world's great entertainers — to perform on Tuesday and Wednesday of Opening Week.

Thursday night was dedicated to the Country and Western fans of southern Saskatchewan, would have provided two performances by Don Messer and The Islanders.

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Friday night, the Circle "K" Club of the University of Saskatchewan had arranged for four musical groups to present a "Rick Night."

Saturday, Mr. Glenn Yarbrough was to have presented two performances. Sunday, an Ecumenical Service was to have been held in the afternoon. The Regina Symphony Orchestra was planning a performance for Sunday evening with the famous guest conductor, Mr. Mitch Miller.

This was the plan. The artists have been contracted and tickets have been sold. However, as I mentioned yesterday morning at this time, our construction schedule is such that the loss of these two days of work at this point means that the building will not be ready for the opening on May 4. And it will be obvious to Hon. Members that it is impossible for the Centre of the Arts to cancel attractions on a daily basis depending upon the duration of this dispute between the electrical workers and the contractors.

It is therefore, Mr. Speaker, with keen regret that I must report that the Opening of the Saskatchewan Centre of the Arts at Regina must be indefinitely postponed. I have suggested to the Board of Directors that they consider selecting an appropriate date in the month of September of this year, for another opening date.

The management of the Centre of the Arts will arrange the mechanics to refund the thousands of dollars already paid by citizens of Southern Saskatchewan for tickets to these performances.

Hon. Members will find on their desks a copy of the summary of bookings of the Saskatchewan Centre of the Arts, which have been made for the balance of this year as well as 1971 and 1972. I would like to draw to Members' attention certain specific occasions which will cause particular anguish.

On May 11, the Kinettes of Regina were going to present a fashion show which has been in the planning stage for some three months. On the 13th, the Regina Male Voice Choir was going to perform. On May 15, the Regina Campus of the University of Saskatchewan was planning their Convocation.

And may I draw Hon. Members' attention to the dates of May 20 to May 27 when the school students of this city were planning to use the Centre of the Arts for the first time and will now be unable to do so.

All in all, the delay will result in a dislocation of some 32 organizations affecting thousands of citizens of all walks of life, and we believe that it will cost the taxpayer of Saskatchewan roughly \$100,000.

There are a number of decisions which will have to be made by the Board of Directors. For example, if we are able to complete the building before September, can it be made available for such things as the June meeting of the Shriners, thousands of them; the Leadership Convention of the NDP planned for July 2, 3, 4 – at least dozens of them; for the Buffalo Days Ball planned for July 27; and, indeed for the graduation ceremonies of the Regina General Hospital.

These decisions will have to be made by the Board based

upon the duration of the present labour dispute. Mr. Speaker, as the Minister in charge of the Saskatchewan Centre of the Arts, I wish to say this development at this time is a very sad situation indeed. With some \$7 ½ million of the taxpayers' money invested in a truly beautiful building which is within 19 days of opening, this is a tragedy for the people of the province.

There have been difficulties in the past in connection with this structure; but I, along with all other citizens in the province, felt that at last it was on its way to becoming a reality, and would be indeed a source of joy to all our citizens. It now appears that we will wait – must wait- for some months before we are able to enjoy this facility.

Mr. Speaker, I believe the union involved has shown a shocking disregard for the public interest and well being, which to say the least is dismaying.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — I shall have something further to say about this whole situation early next week.

**Mr. W.G. Davies** (Moose Jaw South): — Mr. Speaker, I would like to ask the Premier a question at this time. The question is: in view of the situation that he has told us about this morning, that he appoint a special mediator, Mr. Justice Culliton or Mr. Mervyn Woods, are names that come to my mind, to act immediately in an attempt to unravel all the matters that go into this dispute. It would also be my suggestion, Mr. Speaker, that the Chief Justice's appointee would look into the whole story involved because it has been suggested to me that the dispute and the union are being used as a whipping boy and as a convenient excuse by the Government, and that the delays and the mismanagement of the Government would in any case, Mr. Speaker, have resulted in delays that would have postponed the opening of The Centre.

I am saying that the best way that this could be determined would be by an impartial investigation, because I am assured, according to some information, that I have received informally, that there are other facts that the Premier has not brought out this morning.

**Mr. Thatcher:** — Mr. Speaker, of course the appointment of a mediator even if it were desirable, would in no way help us out of our present dilemma. The Public Works Department and the contractors tell us that even at this late date, there would be no way that we could open the Centre of the Arts.

I believe as I say again, Mr. Speaker, this shocking situation indicates again that Saskatchewan must find some new machinery to handle strikes that are contrary to the public interest.

**Some Hon. Members:** — Hear, hear!

**Mr. Davies:** — Mr. Speaker, I have a supplementary question. I would like to ask the Premier if he would appoint one of the gentlemen...

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**Mr. Thatcher:** — No.

**Mr. Davies:** — Would you allow me to finish my question, Mr. Premier?...One of the two gentlemen that I have proposed in order to validate the charges that he has made here on the floor of this Legislature which are disputed by many citizens of this province.

**Mr. W.E. Smishek** (Regina North East): — Mr. Speaker, I am sure that all of us regret the report...

**Mr. Thatcher:** — Mr. Speaker, on a point of order. I believe you ruled sometime ago that you would allow one statement from the Opposition. We have had that one statement from the Member and I suggest that we should get on with the House procedures.

**Mr. Speaker:** — Now here is the problem we get into when we have an unofficial question period in the House, because we have the question period and the statements all mixed in together. Now we have had a statement by the Premier. We have had a comment on the statement by the Member from Moose Jaw South (Mr. Davies). We had a further comment by the Premier and a further comment by the Member from Moose Jaw South.

There is my view the comments on the statements and the comment on the statement should end, unless there is supposed to be some statement made on some other unrelated topic.

We not get into the question period. I presume that the Member for Regina North East (Mr. Smishek) is rising to ask an oral question. This is the way I take it. And I will wait to see what his words are.

**Mr. Smishek:** — Thank you, Mr. Speaker, this is precisely what I was going to do. I would like to direct a question to the Government, perhaps to the Premier, to tell us why were the delays in the completion of the program caused prior to this. We were told as the public that the Auditorium would have been finished and completed in February of this year.

**Mr. Thatcher:** — To stir up things like this, and that's no...

**Mr. Speaker:** — Order, order! Just a minute. Now oral questions can't contain speeches and they shouldn't contain matters that are controversy.

Now whatever the question is, let the Member state the question and I am sure that he will get an answer. Let's have the question.

**Mr. Smishek:** — Mr. Speaker, we were told that the Auditorium would be finished by February. Could the Premier tell us what were the delays prior to February which made it impossible to have the Auditorium completed. He is now trying to put the blame on the...

**Mr. Speaker:** — Order, order! Now as I

understand the question, the question is this: what were the delays prior to this present time?

**Mr. Smishek:** — That we were told that the Auditorium would be finished. What were the delays and was the Government or the Public Works Department partly responsible?

**Mr. Thatcher:** — To my knowledge there were no delays. Mr. Smishek and his union associates are the only reason that this Auditorium will not open on May 4.

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — Order, order!

**Mr. Smishek:** — Mr. Speaker, a supplementary question. Can the Premier tell us what disputes there were prior to February – labour disputes – that caused the delay? Because there were none and he knows that very well.

**Mr. Speaker:** — Order, order!

**Hon. A.R. Guy** (Minister of Public Works): — Mr. Speaker, I will answer that question as Minister of Public Works. There was absolutely no delay and at no time was official information given that it would open in February or that it would be completed in February. the official completion date of that auditorium was May 1 and it would have been reached, it would have been completely finished if it hadn't been for the union and their strike.

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — Order, order! Now we are trying to have an orderly question period. Now let's stop this unseemingly banging of desks. One supplementary. He has had one already and he gets one more and that is it on that particular topic.

**Mr. Smishek:** — Mr. Speaker, I would like to know in the light of the announcement — it is a matter of 19 days — why the Auditorium opening should now be delayed to September 1, a period of six months? The labour dispute only started yesterday and I hope that it might be settled today. Why should the postponement be until September?

**Mr. Thatcher:** — Because we are not going to be in trouble on a day-to-day basis at the tender mercies of this union.

**Mr. A. Thibault** (Kinistino): — Mr. Speaker, what I was going to talk about is a point of procedure. When this side of the House was trying to ask a question we had so much noise back there. They are not prepared to listen. My question is: what effort has the Minister of Labour (Mr. Coderre) or the Department of Labour taken in trying to keep this thing going?

**Hon. L.P. Coderre** (Minister of Labour): — Every effort has been made by the Department of Labour conciliation officers and myself. The only thing is I have not had enough time in the last 12 hours, there are not enough minutes in each hour, in fact, to do the job that could be done.

### **RESPECTING A JOINT DECISION ON FISHING IN THE SASKATCHEWAN RIVER SYSTEM**

**Hon. J.R. Barrie** (Minister of Natural Resources): — Mr. Speaker, before the Orders of the Day I wish to make an important statement respecting a joint decision or announcement made after very serious consideration by the Minister of public Health (Mr. Grant), the Minister of Public Works (Mr. Guy) in charge of Water Resources Commission and myself as Minister of natural Resources.

This affects a portion of the Saskatchewan River system and fishing in that particular area. All fishing activities, domestic, commercial and sport, are now closed on portions of the Saskatchewan River system. The closed areas will be from a point four miles south of the Saskatoon city limits, downstream to the Manitoba border and Cecil Ferry east of the city of Prince Albert downstream to the Manitoba border. This will include the waters of the Forks area, Tobin lake, Squaw Rapids and those waters of the Saskatchewan Delta area fed by the Saskatchewan River, such as Cumberland Lake, Beaver Lake, Sipanok channel and Dragline Channel.

These portions of the Saskatchewan River system will remain closed until October 31, 1970 as a safety precaution. This action was taken as a result of recent findings of mercury levels in species of fish taken from the Saskatchewan River that are above the accepted safety levels for human consumption.

Preventative measures were taken some time ago to eliminate further mercury pollution of the River system by the only major identifiable source. Recent tests of mercury levels in the river water south indicate that these measures have been successful. It is expected that the level in the fish will decline steadily. It is impossible to predict precisely when these levels will be reduced to acceptable limits. A continuous testing program for mercury in fish and in the water will proceed during the period that fishing activity will be closed. Prior to October 31, 1970 a complete reassessment of the affected areas of the river will be made to determine the rate and the extent of the reduction in mercury levels. If the promising preliminary indications at the rate of disappearance of mercury are borne out in the longer run, it may be possible to represent-open these areas for fishing at that time.

Despite rumours that fish from other sources in the province may have high levels of mercury, I wish to state no unsafe mercury concentrations in fish have been found in any other Saskatchewan water bodies.

**Mr. G.R. Bowerman** (Shellbrook): — Mr. Speaker, I wonder if, Mr. Minister in view of the fact that the announced season date in the Saskatchewan River will preclude the commercial fishermen at Cumberland House from undertaking their usual sturgeon and goldeye fishery, whether or

not the Government has any intentions of making some allowances on behalf of the fishermen here.

**Mr. Barrie:** — No.

**Mr. Bowerman:** — I understand then from that, Mr. Minister, that they will simply lose this year's fishing in the Cumberland House area. I would like to ask a supplementary question, Mr. Speaker.

**Mr. Thatcher:** — may I object for just a moment. This matter just came up. The Government hasn't even discussed whether there should be compensation or not, and you shouldn't draw that conclusion because we will certainly take a look at it.

**Mr. Bowerman:** — The supplementary question, Mr. Speaker. I wonder if the Government has come to a conclusion as to what company is directly involved in the pollution problem — that is the mercury pollution problem — and are any prosecutions being considered with respect to that company for some contribution to the losses that the fishermen will be required to take.

**Mr. Thatcher:** — The indication that we have that it is the Inter-provincial Compulsory-operatives in Saskatoon. As to whether they will be sued for damages or not, it is a little early to tell. They have such serious financial difficulties without any law suit that whether it would make sense to proceed or not I can't say.

**Mr. G.T. Snyder** (Moose Jaw North): — I wondered if I heard everything that the Minister had to say. I thought that his reference was more specifically to the Northern Saskatchewan River and I didn't hear any direct reference to the South Saskatchewan. Was there a reference made particularly to Diefenbaker Lake, the overflow from Diefenbaker Lake? It is all Northern Saskatchewan River that you are speaking of in particular is it?

**Mr. Barrie:** — I defined the area or portion of the river system that would be from Prince Albert east to the Manitoba boundary as far as the North Saskatchewan is concerned, and from the city of Saskatoon to the Manitoba boundary as far as the South Saskatchewan is concerned.

**Mr. Speaker:** — We have now had three questions and that is in my view the limit for one day. We've had supplementaries and one more supplementary going at the present time. Now does the Member rise to ask a supplementary question? Two Members have risen. Which one?

**Mr. J.E. Brockelbank** (Saskatoon Mayfair); — Mr. Speaker, the Minister mentioned that the fishing would be closed as far as the Government is concerned from Cecil Ferry to the Forks of the North and South Saskatchewan Rivers. Is that because the fish that may be in the South Saskatchewan River may frequent ten miles up that river to that area of Cecil Ferry or is it because there is other pollution in the North Saskatchewan River somewhere above Cecil Ferry?

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**Mr. Barrie:** — No, this would be a backup of fish from the area that was polluted.

**Mr. Berezowsky:** — May I ask the Minister of Welfare (Mr. MacDonald) a question ?

**Mr. Speaker:** — No, we are all through with oral questions today and any others can wait for tomorrow. If we are going to have an oral question period, there have to be some guidelines, some regulations to keep the period from becoming unreasonably expanded. If it gets longer and longer and longer, we will find ourselves in the same position as the Zok Sabha in India. They found that the question period gradually grew until it practically took up the whole day and no business was conducted, either private Members' business or Government business. I have made up my own mind and I hope that the House supports me in this regard, there shall be three questions on three different unrelated subjects and that each question may have two supplementaries.

So there you are. I think that is good enough. That is six – nine questions if you use the whole lot in a day. We have exhausted the three of them now. Any further questions that Members have must wait until tomorrow.

### **ADJOURNED DEBATES**

#### **RESOLUTION NO. 8 — INDEPENDENT ELECTORAL BOUNDARIES COMMISSION**

The Assembly resumed the adjourned debate on the proposed Resolution No. 8 by Mr. Brockelbank:

That this Assembly recommends to the consideration of the Government the introduction of legislation to establish an independent electoral boundaries commission similar in principle to the ones established in Manitoba and Alberta charged with the responsibility of drawing Saskatchewan's electoral boundaries based primarily on the principle of representation by population.

#### **STATEMENT BY MR. SPEAKER**

He said: I wish to express the following opinion in connection with Resolution No. 8 standing in the name of the Member for Saskatoon Mayfair.

This Resolution in essence recommends the establishing of an independent electoral boundaries commission (similar to ones already established in the Provinces of Alberta and Manitoba) for the purpose of recommending electoral boundaries based on the principle of representation by population.

I now wish to draw the attention of all Hon. Members to the amendment to Bill No. 86 moved by the Member for Saskatoon Riversdale. The said amendment, in order, to achieve, in his view, representation by population, sought to have the Bill aforesaid referred to an independent commission not as yet established, but the establishment of which was implied, similar to one established in the Province of Manitoba. This question was debated and decided on Wednesday last.



Both the motion and the amendment sought to achieve similar results by similar means in support of a similar objective.

I wish to draw the attention of all Hon. Members to Sir Erskine May's Parliamentary Practice, 17th Edition, page 396:

A motion or an amendment may not be brought forward which is the same, in substance, as a question which has been decided in the affirmative or negative during the current session. The rule may be fully stated as follows: No question, or Bill shall be offered in either House that is substantially the same as one on which its judgment has already been expressed in the current session.

Because, in my opinion, the Resolution of the Member for Saskatoon Mayfair is the same in substance as the amendment of the Member for Saskatoon Riversdale upon which the House has already expressed an opinion, I declare Resolution No. 8 to be out of order.

### **REPORT OF COMMITTEE ON PUBLIC ACCOUNTS**

**Mr. E.I. Wood** (Swift Current) moved, seconded by Mr. W.S. Howes (Kerrobert-Kindersley), That the Final Report of the Select Standing Committee on Public Accounts and Printing be concurred in.

He said: Mr. Speaker, this matter concerning the Report of the Public Accounts Committee has been on our agenda for some few days now and the Report of the Committee has been before the House. I think that Members of the House have had ample opportunity to peruse it and I don't think it is necessary for me to discuss it in any great detail at this time.

There are, however, a few remarks that I would like to make with regard to this Report of the Committee. I would like first of all, Mr. Speaker, to draw the attention of the House to Item No. 5 of this year's Report. This said that in this report the Provincial Auditor pointed out that The Land Titles Act, Chapter 115 of the Revised Statutes of Saskatchewan, 1965, Section 233(1) states in part that:

Before the registrar performs any duty under this Act, he shall, except as herein otherwise provided, demand and receive proper fees therefore as fixed by a tariff being made by the Lieutenant governor in Council.

This section in the Report goes on to say:

In their examination of the accounting records of a number of Land Titles offices the auditor had noted failure to ensure before work was performed that the prescribed fees or that sufficient fees were collected as required by the section of the Act quoted. When the Department of the Attorney General appeared before the Committee the Deputy Attorney General made what we considered to be a good case for the continuation of the procedures presently practised by that Department in this regard. Your Committee would therefore recommend that the Legislation be changed to make the procedures legal.

Mr. Speaker, I would like to point out to the Legislature that in Bill 83, which I believe has already been passed by this Legislature this year, in Section 8 thereof the Attorney General's

Department did I think effectively carry out the request of the Committee. This Bill was not brought into the House until after our Report was tabled so that was very good. I wish to thank the Attorney General (Mr. Heald) for this. It wasn't brought in as soon as our Report was and we weren't able to amend our Report because of this. But we wish to thank the Attorney General for acting on the suggestion of the Committee in this regard.

There is another matter along somewhat the same line that also concerns the Department of the Attorney General for which we thank him but it concerns last year's Report. If I may, Mr. Speaker, I would like to refer to Item 9 in the Report of the Committee for last year. It said there that:

When the Department of Highways was before your Committee it was brought out that according to the opinion of quite a few years standing from the Attorney General's Department, a Member of the Legislature was obliged to accept without appeal whatever was offered him for lands taken by the Crown or its agencies. Your Committee recommends that consideration should be given by the Attorney General's Department to the introduction of legislation allowing Members of the Legislature the right to have such matter referred to the courts for their decision as to compensation.

Now we had a Bill before us yesterday, Mr. Speaker, I believe it was known as The Legislative Assembly Act and I believe it was comparatively controversial. But in my opinion there was one Section, if I may stress the word "one," that was I believe quite beneficial. Section 3 of Bill 86 under The Legislative Assembly Act which was passed yesterday, I believe, if I interpret the Section properly, does take care of this request of the Public Accounts Committee of last year. Again I would like to sincerely thank the Attorney General for taking action in regard to these matters which have been brought to the attention of the House by the Public Accounts Committee.

In regard, again, to this year's Report, I would like to draw attention to Item 8 of this year's Report. It says there:

The Province of Saskatchewan has for many years followed the practice of budgeting and accounting on a net basis, that is, certain revenues are estimated and recorded as reductions of expenditure rather than as items of revenue. In the opinion of the Committee this practice makes the Estimates and the Accounts difficult to interpret. Your Committee recommends consideration be given to budgeting and accounting on a gross basis.

These were the recommendations of your Committee, Mr. Speaker, and in regard to that I have just a few comments of my own which I emphasize are strictly my own, and cannot be interpreted in any way as the opinions of the Committee, but I think they would be valuable at this time to give some light as to what is involved in regard to this section of our Report.

Net budgeting, that is the estimation and recording of certain revenues as reductions of expenditure rather than as items of revenue, for all intents and purposes started to be used by the Government of Saskatchewan with the beginning after the Second World War of Federal-Provincial shared-cost programs. these at first were comparatively small and it is rather doubtful if, when

the decision was made to show the net figures rather than the gross, it was realized that the situation would develop to what it is today. Under this system estimated receipts from other governments of over \$100,000 are shown as reductions of expenditure rather than items of revenue and only net amounts, except for estimated receipts from other governments under \$100,000, are shown in the summary of revenues and expenditures in the Estimates.

Taking the year ending at March 31, 1969 as an example, the budgetary revenues were estimated at \$338,796,980 including receipts from other governments of \$37,688,200. This latter item included such things as the Provincial share of the Estates Tax, Equalization Payment, Post Secondary Education Program Equalization, the statutory subsidy and other receipts from other governments which included estimated reimbursements from other governments if under \$100,000. But the estimated reimbursements, shown in departmental revenues in regard to cost-shared programs, were not shown in the summary of estimated budgetary revenues and expenditures on pages 6 and 7 of the Estimates. In each departmental estimate, however, the estimated amounts to be received from other governments, if over \$100,000, were shown and deducted from the overall expenditures, thus arriving at a net figure which was carried to the summary.

Pages 412 and 413 of the Public Accounts for the year ending 1969 show that the actual budgetary receipts were \$344,632,870.54. The expenditures were \$334,155,899.16. But again the estimated amounts of receipts of over \$100,000 from other governments in regard to cost-shared programs are in general excluded. Receipts from other governments over and above the estimated amounts shown as reduction of expenditure, are included under the heading 'Other Receipts from Other Governments' which also include, among other things, receipts of under \$100,000 from other governments in regard to cost-shared programs.

In the year ending March 31, 1969, the receipts from other governments items increase from an estimated \$6,402,000 to \$9,600,000. You must go back to page 501 of the Public Accounts for the year ending March 31, 1969 to find the total amount spent by the Government in that year. This is shown as \$344,155,899 as reported on page 413 plus \$112,117,084 in receipts applied as reductions of expenditure for a total of \$456,272,983. However, these expenditures are classified by function rather than by department on that page and are of little use in determining the total amount spent by departments. Expenditures by departments broken down to show what was spent on each activity are reported on pages 467 to 478 but ain the estimated amounts over \$100,000 plus some of under \$100,000 received from other governments as reimbursements are shown as reduction of expenditure and not included in the totals given. Nowhere in the Public Accounts is the total amount received from other governments shown by individual departments. in general it may be said that, where reimbursements from other governments in regard to shared-cost programs exceed \$100,000, budgeting and reporting are done on a net basis but, where these reimbursements are under \$100,000, budgeting at least is largely on a gross basis.

I personally feel that the summaries in the Estimates should show estimated receipts and expenditures on a gross rather than on a net basis. And it would be useful to anyone perusing public Accounts if all receipts from other governments could be clearly shown and reported in detail in regard to the activities for which they are received.

I would also like to point out to the Legislature that, as far as I have been able to ascertain, at least the Provinces of British Columbia, Alberta, Manitoba, Ontario and New Brunswick, are presently budgeting and accounting on a gross basis. I must make apologies, Mr. Speaker, this may seem a little involved and confusing to the House but the situation which I was endeavouring to describe is, in my opinion, very involved and confusing and in the interest of clarity and simplicity I feel that it would be a very good practice if the Government were able to change the accounting from the net basis which is presently used to a gross basis which we feel, or I feel, would be a good deal more clear to the Legislature.

There is just one more point that I would like to stress at this time and that is point No. 9 in our report.

Your Committee is of the opinion that its members can increase their value to the Legislature as they become better acquainted with the financial procedures involved in carrying out Government business. We would thus recommend that continuity of membership on the Committee be maintained as much as possible during the life of the legislature.

Now it is my understanding, Mr. Speaker, that some of the other committees have felt that so long as the Government majority, the relationship between the members of the separate parties in the House were maintained on the committees, that the exact individual memberships in these groups was not too important so long as the relative numbers were maintained. But your Committee feels that this principle is not really too satisfactory in the Committee on Public Accounts. This study of Public Accounts is a very detailed and involved one. I have been on this Committee, in its present set-up, for four years now and I have to admit that there is very, very much about this that I certainly did not understand. I hope — and I think with some justification — that my understanding of the situation is a good deal better than it was back four years ago when I first sat on the Committee. I think that all members of the Committee find that their understanding of the problems and the facts concerning the handling of the financial business of the Government do become a little clearer to them as we sit there from year to year. I don't think it is quite fair to any member to come in new on this Committee and be expected to understand as well as others who have been there for years. I think that as members of the Committee we are able to be of more value to the House as we acquire a better knowledge of the financial workings of government business and this is why your Committee has recommended that we feel that there should be, as much as possible, continuity of members on this Committee during the life of a legislature.

**Mr. W.E. Smishek** (Regina North East): — Mr. Speaker, I want to make a few brief observations in regard to two sections of the Committee's report. I first want to direct my remarks to the recommendation contained in Section 8 of the Report, that is the recommendation that the system of budgeting and accounting be changed from the present net system to a gross basis.

Mr. Speaker, the records of the Committee's verbatim reports will show that in the last three years I have raised this matter in Committee. I feel that it is an important matter for the Government to consider changing our system to a gross basis. The

present system of budgeting and accounting was established when the amount of funds received from the Federal Government towards cost-sharing programs was relatively small and, therefore, the net system may have been appropriate.

The amount of money we now receive towards the financing of our programs from the Federal Government makes up a large portion of our income. Mr. Speaker, let me refer to page 6 of the Estimates. You will note that the estimated revenue for the Province is \$395 million. Under the estimated revenues we have an item of almost \$14 million under the heading of "Other Receipts from Other Governments." this amount of money is primarily for cost-sharing programs between the Provincial and Federal Governments, yet the larger amount of money that we receive for cost-sharing, estimated for the coming year of \$135 million, is not included. It is deducted from the cost of programs and a net figure is shown. There are other revenues that we get that are not shown in the total finances received by the Government for various expenditures. For example, in case of the hospital and Medical Care premiums, we receive close to \$19 million. These funds are channelled directly to the programs and not included in budgeted revenues, but there is no question that they are part of our Provincial revenues used for the purpose of financing these specific Government programs. There are other funds, Mr. Speaker, on page 21 of our Estimates under the Education Department, about \$1/4 million is received from the teachers for insurance purposes. This is money the Government received but is not shown as revenue; it is deducted from the total cost of the plan. Similarly, in case of the Health Department under Regional Health Programs, we receive money from the municipalities.

The system of budgeting and accounting we now have, in my judgment, obscures the real revenues and expenditures. By moving into gross budgeting, I believe would simplify the procedure. It would be much more straightforward. It would be less confusing, less difficult to understand. In making these observations, Mr. Speaker, let me make it clear I am not being critical of the Government. The system was established a long time ago. It has worked. As the Hon. Member from Swift Current has pointed out, most of the Provinces in Canada have now established a gross system of budgeting. We in Committee considered this matter, the Committee unanimously approved the idea and I would hope that the Government will give sincere consideration to us moving into a gross budgeting system. I think it would simplify things, it would make it much clearer for all the people to understand. It is not only the matter of Members of the Legislature understanding the Public Accounts and the Estimates and all the revenues and expenditures, I believe we as Members of the Legislature have a responsibility to the total public to make sure that the financial affairs of the Province are clearly understood by all the p. After all it is the people who pay the taxes. It is on behalf of the people that expenditures are made, and I believe that what is recommended by the Committee would help the people understand the programs better, the revenues better, it would enhance democracy, if you please. Democracy is very much a part of people understanding the whole function, the whole financial operation of the government. I do concur with this section of the Report and I do hope the Legislature will approve the recommendation of the Committee and that the Government will give it earnest consideration.

**Some Hon. Members:** — Hear, hear!

**April 16, 1970**

**Mr. Wood:** — Mr. Speaker, if I may rise on a point of correction in regard to my own speech, if I may just for a second.

I said expenditures, as I had the Province broken down to show what was spent on each activity, are reported on pages 467 and 468. Well, this was a misprint in my speech which I read incorrectly. They should have been on pages 467 and 478. That is an error that I gave to the House.

**Mr. T.M. Weatherald** (Cannington): — Mr. Speaker, I only want to make a very brief comment on what the Member has just said. I think he put in an excellent manner the feeling of the Committee and I don't want to dwell on it for very long. I just wanted to explain one or two reasons why I think that his suggestion is a good one and why it was accepted by the Committee.

I think it is a good suggestion, Mr. Speaker, from the point of view that in our country today there seems to be greater and greater confusion about our problems of Confederation and holding this country together. I think a change in the accounting system from this point of view as well is necessary, and I make this suggestion because I feel that there is greater need for an explanation of the amount of funds being contributed by both Provincial and the Federal Governments. the benefits of Confederation that accrue to our Province are not well understood by a great number of people, I feel, simply because in a financial manner it has never been put forward in a manner which is rarely understood. If you read through the public Accounts and our Provincial accounting system that has been in operation for many, many years and which has proved to be a good one, I think you would find that it is, to all of us I could say, Mr. Speaker, except possibly a few financial experts in the department, a matter of great confusion to us to understand it as laymen. I think that it is becoming increasingly more necessary that we provide our accounting system in a manner in which the contributions by all levels of government can be understood by the general public. In this regard I am not only speaking of the Federal Government's contribution to the Province but municipal contributions that some time become evident. I am probably using 'municipal' in the wrong manner here. the Member for Regina North East suggested contributions made by teachers and other groups such as this to various funds.

So I just wanted to lend my support to the suggestion, Mr. Speaker, and to reiterate the reason that I think this is exceptionally important. I firmly believe it is becoming more and more important that our Province's finances be provided in a manner which is readily understood so that we may be able to understand the contributions made to our financial affairs of Saskatchewan by all levels of government.

Motion agreed to.

The Assembly recessed at 12:30 p.m. until 2:30 p.m.

## **WELCOME TO STUDENTS**

**Mr. Deputy Speaker:** — I wish to introduce to the Members of the Legislature the following groups of students situated in the galleries: I believe the group in the west gallery is from St. Phillip's

school in Saskatoon under the direction of Mr. Macsymic from the constituency of Nutana South represented by Mr. Forsyth. We also have a small group from Herchmer school in Regina from the constituency of Regina Centre represented by Mr. Blakeney. they are under the direction of Mrs. Mackrill and they are in the east gallery.

On behalf of the Assembly I wish to extend a warm welcome to all of these students and hope that they will find their visit here educational and enjoyable and wish them a safe trip home.

**Hon. Members:** — Hear, hear!

The Assembly adjourned at 9:58 o'clock p.m.