

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Nineteenth Legislature

April 26, 1979.

The Assembly met at 2 p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

HON. E.C. WHELAN (Regina North West): — Mr. Speaker, through you I would like to introduce to all members of the legislature, 33 Grade 8 students from Kitchener School in Premier Blakeney's constituency. They are seated in the west gallery with their teachers, Lewis McDougall, Ken Watt and Ken Forster. We bid them welcome on behalf of the Premier and we hope we'll have a chance to meet them for a question period and for a picture. Members join me, I'm sure, in congratulating them for studying the democratic system in our country and hope their stay with us will be pleasant and informative.

HON. MEMBERS: Hear, hear!

MR. D. LINGENFELTER (Shaunavon): — Mr. Speaker, I would like to introduce to you and to the members of the Assembly, a group of 30 students from the Shaunavon separate school, Christ the King School in Shaunavon who are accompanied here with their teacher, Mrs. Glass and their principal, Dennis Tetu. This group is of particular interest to me because they come from the same school I attended from Grade 1 to 8 in Shaunavon. I'm sure all the members will want to join with me in wishing them an enjoyable stay in Regina and a pleasant return to Shaunavon.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF GUESTS

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Speaker, I would like to introduce to you and through you to the House this afternoon, a distinguished gentleman that we have with us in the Speaker's gallery, Mr. Merv Johnson, former member of parliament for the Kindersley constituency from 1953 to 1957 and again from 1957 to 1958. Mr. Johnson farmed in the Kindersley constituency. Mr. Johnson is now the Agent General for Saskatchewan in London for the United Kingdom and Europe. Mr. Johnson is paying us a brief business visit for yesterday and today and a couple of days. I would like to have Mr. Johnson stand and be recognized and be welcomed into the House.

HON. MEMBERS: Hear, hear!

WELCOME TO STUDENTS

HON. W.A. ROBBINS (Saskatoon Nutana): — Mr. Speaker, I would like to introduce to you and through you to the members of the legislature, a group of 29 Grade 8 students from Buena Vista School in Saskatoon in my constituency of Nutana. I understand they're located in the Speaker's gallery. They're accompanied by their teachers, Mr. Coroy and Mrs. Toth. I sincerely hope they have a pleasant stay in Regina today, that they will find the proceedings of the legislature education, and I hope to meet with them shortly before 2:24, and answer any questions they may have with respect to the

legislature.

HON. MEMBERS: Hear, hear!

HON. D.W. CODY (Kinistino): — Mr. Speaker, it's with a great deal of pleasure that I introduce to you today and the members of this Assembly 41 Grade 8 students from the Aberdeen school. Aberdeen is on the southwest portion of my constituency and I want to say that I truly welcome them here today. They've driven a long way to be with us, and I hope they have a very enjoyable time in the House, that it's informative and educational. I plan on meeting them a little later on for a few questions, and I also hope that they have a very safe journey back to Aberdeen.

HON. MEMBERS: Hear, hear!

MR. R. KATZMAN (Rosthern): — I would also like to welcome students from Aberdeen being as they border my constituency and some of them are from the Rosthern constituency, also Mr. Speaker.

HON. MEMBERS: Hear, hear!

QUESTIONS

INDIAN-METIS PROBLEM

MR. J.G. LANE (Qu'Appelle): — I'd like to direct a question to the Deputy Premier, I think the obvious question and that's the report today about the confidential report warning of turmoil in the province if we don't deal and come to grips with a severe problem as has been referred to, I believe too, in the Premier's speech, the Indian and Metis problem that is coming more greatly to the fore. I'm wondering if the Premier or the Deputy Premier rather than taking notice, (and I don't know whether he's seen the report or his officials or the government have seen the report), you would at least be prepared to comment on the article itself, or the report if you . . .

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, the first time that I became aware that there is such a report is in the article that is published on the front page of the Leader Post. May I also inform the hon. member that I've checked with our officials and with the director of the social planning secretariat. He has not received a copy of the report, and may I say that this is a bit indicative of the kind of problem that we've been having with the federal government in dealing on a number of problems of people of Indian ancestry. They apparently choose to make the report available to the media first rather than make it available to the provincial government and then place an implication that somehow it's our problem, yet they don't consult with us, do not provide us with their reports. I can tell the hon. member that I attended a conference just yesterday sponsored by the AMNSIS (Association of Metis and Non-Status Indians in Saskatchewan) dealing with a question of employment and economic development where one of the federal officials talked about a proposal of setting up a tripartite agency. He chose to make that announcement there without first talking to us. Well, this is the kind of unfortunate experience that we are having with the federal officials and some of the ministers of the federal government.

MR. LANE: — Well, I'm sure . . .

MR. SPEAKER: — Order. I want to caution the members about getting into a debate rather than asking questions and answering them.

MR. LANE: — It was not in the form of a debate. As a matter of fact, Mr. Minister, I will assume that you and I may have the same feelings about the federal government, and probably in your heart you agree with the proper way of solving the problem.

But my question was not that. I asked if you would have comments on the report and not whether there was a right way or wrong way of handling it. I ask you to recall the statement of Premier Blakeney when he said that is going to be the pressing problem of the 1980s we as politicians are going to have to come to grips with. He didn't say that in a partisan way; he said it in a constructive way. I ask you to comment in that regard. You say your officials have not seen it but again, recalling the words of the Premier and given the report, would the government give serious consideration, notwithstanding what happened in the past, to the establishment of a task force acceptable to the Indian and Metis and the white people of Saskatchewan, which would take a serious and full in-depth study of the problems raised by the report without casting blame? We're going to have to have accommodation by the white people; we're going to have to have an acceptance of change by the Indian people. Would you accept that positive suggestion without casting blame on anyone, and perhaps take a look at the urgency of the problem raised?

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Mr. Speaker, I'm not in a position to comment on the report per se because I have not seen it and therefore am not in a position to talk about the figures that are provided. But may I tell the hon. member that our government has already recognized that we do have a problem, or rather that the people of Indian ancestry face many serious problems in the area of employment, the area of education and one can carry on with some of the specific problems. We have therefore established a special cabinet committee, a secretariat on social planning who are in constant communication with the native people. We believe that it's important to have a direct input into the development of new programs to deal with problems of people of native origin.

FLOOD SITUATION - SOURIS RIVER VALLEY

MR. R.A. LARTER (Estevan): — Mr. Speaker, a question to the Minister of the Environment (Mr. Bowerman). Mr. Minister, last week, and I think again on Monday morning, I asked you if the government was going to show leadership in the flood situation and the crisis the people in that area were going through. I don't believe you gave any answer. Mr. Minister, I just witnessed this past week, confrontation provoked by the government between the people and the government people who were working there. I wonder, are you going to take any action towards showing leadership when we get into a situation like this? It's exactly what I led up to.

HON. G.R. BOWERMAN (Minister of the Environment): — Mr. Speaker, I attempted to say to the hon. member in his previous questioning in the House with respect to the responsibility of the Department of the Environment regarding doing physical kind of things in terms of dams or dyking or sand bagging or whatever it is related to the flooding situation, the responsibility of the Department of the Environment is to make an assessment of what the conditions may well be. The implementation of corrective measures or amelioration of those kinds of problems is a matter for the Emergency Measures Organization. If there was a confrontation (and I doubt there was), but if there was, it has to do with the EMO and the relationship of that organization and local EMOs and the municipal councils first and their responsibility in relationship to that.

Questions of this kind, Mr. Speaker, would best be directed to the Minister of Municipal Affairs (Mr. MacMurchy).

MR. LARTER: — Supplementary, Mr. Minister, to the Minister of Municipal Affairs. The Department of the Environment caused the flood, and I just wondered if you could help me out in the solving of it.

Mr. Minister, the Emergency Measures Organization department (and I am not singling out any officials), the information passed on to both the people in the community and the R.M. was anything but constructive. I am not talking about the individual who worked there all during the flood. He was tremendous, but there is a confrontation attitude going into the crisis which these people are going into and it stays with them throughout the time they are working. I wonder if you are going to do anything to correct this situation?

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, with respect to the issue raised by the hon. member, I was not made aware of any serious confrontation in the area of the flooding in the Souris River valley. I was aware there was a problem getting things moving and I think some action was taken relative to that. I think once things got moving they worked very well in that area. The hon. member will be pleased there wasn't any serious flooding, when there perhaps could have been. I think the efforts there, the strengthening of the dykes, the people on hand, the watching, was a good one. If there was a serious confrontation created by one of the staff of the Emergency Measures Organization, I would be pleased to hear about it and would respond on the information that the hon. member provides. I think we can be thankful that a job was done and done very well and there wasn't a serious loss due to the predictions that were made over the weekend.

MR. LARTER: — Supplementary question, Mr. Speaker. Mr. Minister, I do want to commend the EMO for the job they did in working with the co-ordinator and everyone after they got going, but there was a confrontation as there was in 1976, and there was in 1969. Mr. Minister, this is an international waterway and I think you know the original problem of the flooding in that area. We are the dumping basket for dumping at the end of the funnel. Would the minister not agree that the R.M. council of that area, because of what has happened in the past seven or eight out of 11 years or 10 years, should have to pick up that first five mills on this flooding of water that belongs to somebody else from their farm land?

MR. MacMURCHY: — Mr. Speaker, I think we're now into a different subject area than the original question. I think that the R.M. did an excellent job relative to the situation, contrary to press reports about that rural municipality. I think they should be complimented. I think the issue at hand, so far as the Souris, the issue at hand in the Carrot River area where we are facing, probably facing some severe flooding depending on how quickly the snow melts, is to deal with the flooding issue. Work on a formula can come once the immediate problem is over and certainly we're prepared to sit down as a government with the R.M.s and with SARM (Saskatchewan Association of Rural Municipalities) in looking at the formula. If it needs adjustment, we're prepared to do that. That was part of the process in establishing the formula and I think if it's necessary to change it, that's the process we would want to go through once the immediate problem is solved.

SOME HON. MEMBERS: Hear, hear!

SUMMER CLOSURE OF BEDS AT ST. PAUL'S HOSPITAL

MR. G. TAYLOR (Indian Head-Wolseley): — My question, Mr. Speaker, in the absence of the Minister of Health (Mr. Tchorzewski), I would go to the Deputy Premier (Mr. Romanow). It has to do with the closing of hospital beds in Saskatoon in the summer. It is my information that St. Paul's Hospital in Saskatoon must close 69 beds during the months of July and August in order to avoid incurring a substantial deficit in 1979. It is also my information that the University Hospital and City Hospital will, between them, close about 250 beds in these months. That's a total of 320 beds. Would the minister not agree that the department's funding of hospital beds, based on the assumption of empty beds in summer months, should be reviewed as to ensure that as many beds as are needed are available to the people of Saskatoon at all times?

HON. R. ROMANOW (Attorney General): — Well, Mr. Speaker, this is a perennial question which the opposition raises, whether it's a Liberal opposition or a PC opposition. I answer the question by saying that this is a decision made by the local hospital board, or the local governing authority. At St. Paul's Hospital, they have a very excellent hospital administrator and a very good administration. I know that to be the case. It's the same with the University Hospital — an advisory board, the former Minister of Health advises me.

The funding this year for hospitalization, I think, is in excess of 9 per cent, one of the highest in Canada. Saskatchewan has the highest beds per thousand (I think is the ratio taken) of any province in Canada. This is a practice which has been usual and normal over the summer months. I think it's created no major hardships so far as we know to any hospital. The answer that I give you is the same answer I've given to the same questions that have been asked in the years gone by.

MR. TAYLOR: — Supplementary question. I'm sure the minister realizes that illness doesn't take holidays. In light of the fact that St. Paul's Hospital and other hospitals have incurred a substantial deficit in '78 because of the assumed drop in summer bed occupancy, which did not occur, would the minister be prepared to initiate an independent inquiry into hospital needs, bed availability and financing?

MR. ROMANOW: — Well, Mr. Speaker, the answer to that, clearly and absolutely, is no. I'm sure that comes as a surprise to the hon. House Leader of the PC Party and the member for Indian Head-Wolseley (Mr. Taylor). I repeat again the funding for the province of Saskatchewan in terms of hospitalization is one of the highest of any of the provinces in Canada. I remind you that during the months of July and August, while it is true that illness does not take a holiday, there are a number of kinds of surgery which can be described as elective. It's dependent upon a number of factors, on the patients and their holiday requirements, and the doctors and their holiday requirements, and the like. It's a practice which has been usual in Saskatchewan for many, many years.

REQUIRED REPORTING OF CHEMICAL SPILLS

MR. G. MUIRHEAD (Arm River): — Mr. Speaker, a question to the Minister of the Environment (Mr. Bowerman). Would the minister enlighten the Assembly and the people in Saskatchewan about their failure to bring in legislation this session, I'll read the exact words, 'requiring the reporting of chemical spills in both public and private areas' as promised by your department on December 7, 1978? I ask the page girl to deliver a copy of those remarks.

MR. BOWERMAN: — Mr. Speaker, the reference that is made by the hon. member for Arm River suggests that legislation is needed and that is the word that is used. I think he is suggesting that we needed a bill, a legislative bill, and that is not the case, Mr. Speaker.

It is necessary, however, to add to the regulations those sections which would be useful in bringing companies or whoever it might be that do have spills of chemicals which may be hazardous to the environment, for them to report those spills.

The drafting of those regulations is now underway and we would hope that they will soon be to the point where we can implement them.

MR. MUIRHEAD: — A supplementary, Mr. Speaker. Was your thinking of your department due to the silence of the Progressive Conservative Party in the latter part of this session? Is this why you didn't bring this bill in?

MR. SPEAKER: — Order. I will take a new question.

CONQUEST WATER COSTS

MR. H. SWAN (Rosetown-Elrose): — A question to the Minister of Municipal Affairs.

About a month ago I raised the concern of the town of Conquest and their need to haul water to meet their supply and demand for the months. I have, today, the figures of the cost of that hauling of water. I think, Mr. Minister, you're going to have to change your policy and give some assistance to that town. Has your department been looking into it and are you willing now to provide some assistance to the town of Conquest for the supplying of water during that short period?

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, the department is looking into the problem of Conquest. I think in responding to the hon. member in his question prior to today, I indicated to him that this was not possible under the existing regulations in the Municipal Water Assistance Board. I think that we would open up a large area of new ground if we provided assistance by changing the regulations of municipal water assistance. Therefore, I would be reluctant to provide assistance through that vehicle. That is not to say that in examination of the problems faced by the town of Conquest in meeting their water needs, that the government can't consider another route to support directly from the department. I can only assure the member for Rosetown-Elrose that the department is aware of the problem, looking at the problem, and I think now that the total bill is available, we can consider their problem in light of what they have received under revenue sharing.

MR. SWAN: — A supplementary, Mr. Speaker.

The town of Conquest is going to be facing something in excess of \$11,000 and at this level that doesn't sound like much money, but when you go to the small rural village of that type they have an assessment of about \$406,000. This \$11,000 to them, amounts to about 28 mills increase in their tax levy and I don't think they can stand it. I am asking the minister now to look at giving them assistance from whatever source, not necessarily your existing water board but from whatever source is necessary.

SUMMER SCHEDULE — NORCANAIR

MR. J. GARNER (Wilkie): — Mr. Speaker, a question to the Minister of Municipal Affairs. Last Friday I brought to your attention the fact that Norcanair was going to be cutting some 14 flights. At that time you told me you were going to meet with the president of Norcanair. Have you met with him and what were the results of that meeting, because on April 29, next Monday, those flights will be cut?

MR. MacMURCHY: — Mr. Speaker, it happens that I met with the president of Norcanair this morning at 11:00 o'clock for a meeting with Mr. Lloyd. The meeting was very, very valuable. We talked about the issue of service — Regina-Saskatoon-Prince Albert, primarily because that was the issue raised earlier and the concern of the hon. member, and the concern of the government. He reported to me, with respect to service in that area that the normal summer schedule — Regina to Saskatoon would be continuing this summer. He did indicate that one flight was being dropped between Saskatoon and Prince Albert and that that was an issue.

He reported to me on a meeting that was held in Prince Albert involving the mayor of Prince Albert, the president of the Chamber of Commerce, himself and our two MLA's from that city. They decided at that meeting that there would be a total review of the Prince Albert situation, and he indicated to me as he indicated to that meeting that Norcanair would approach that review with an open mind, meaning that whatever the outcome would be, they would be prepared to be involved in whatever the outcome.

With respect to the issue raised last Friday, he reported to me that there has been a re-organization of schedules in northern Saskatchewan, particularly a re-organization of scheduling from Saskatoon to La Ronge and north. That re-organization involves not a reduction of service to northern Saskatchewan but an increase in five flights a week — Saskatoon-La Ronge and on north. What has specifically happened with respect to a reduction of scheduling is the reduction of the one flight from Saskatoon to Prince Albert (where we are aware of and they're working with in Prince Albert) and the dropping of the Regina to Minot flight. And we talked about our concern with respect to a connection to the United States. His response to me was the viability of that particular service and we discussed, very briefly, the need for a connection perhaps not to Minot, but to Denver and we've talked about that in the House. So it was a very profitable meeting and I think that subject to a review, we can see some solution to the Saskatoon-Prince Albert situation.

SOME HON. MEMBERS: Hear, hear!

MR. GARNER: — In your meeting this morning, Mr. Minister, did you discuss or find out what Norcan is planning to do with the recommendation that CTC (Canadian Transport Commission) gave them to supply service between Yorkton, Saskatoon and Regina also, and what about more air service to Swift Current or North Battleford, Mr. Minister.

MR. MacMURCHY: — Mr. Speaker, we didn't talk about service to North Battleford or Swift Current. We talked very briefly about the Yorkton service. I think the hon. member will be aware that the city of Yorkton, through their council, was not in support of the Norcan service — Saskatoon-Yorkton-Regina — and the hon. member can check with Yorkton, but rather seeking service from Winnipeg to Yorkton to Saskatoon. As a matter of fact they have been in contact with PWA (Pacific Western Airlines), as I have, in support of that position and PWA is doing a market study into the viability of such a service. The hon. member should know that it has always been the position of Yorkton for Winnipeg-Yorkton-Saskatoon service.

**COMMITTEE OF FINANCE
FINANCE
VOTE 11**

MR. CHAIRMAN: — Page 41, Vote 11. First I will ask the minister to introduce his support staff.

HON. W.E. SMISHEK (Minister of Finance): — Mr. Chairman, I would like to introduce my officials. To my immediate right is Rob Douglas. He is our new deputy minister of finance who has just taken office as of yesterday. I welcome Rob back to Saskatchewan. He was away to Ottawa for a few months. It's good to have Rob back. I think he is well known to our government and to people in Saskatchewan as well as to quite a number of the members of the opposition. To my left is Mike Costello. Mike is the director of the Tax and Fiscal Policy Branch. He was the acting deputy for the last two months. I wish to express my appreciation to Mr. Costello for a job well done in the last couple of months as acting deputy minister of finance. Next is Morley Meiklejohn, the director of the Investment Services Branch. Behind me is John Sinclair who is the director of the Budget Bureau and Keith Mackrill the director of the Administration Branch.

Mr. Chairman, before I proceed with the consideration of the estimates, I have a motion which is to correct an error. I am not sure what the procedures are but I move, seconded by Mr. Romanow:

That the following erratum which corrects Votes 11 and 57 of the estimates, 1979-80 which has been tabled in the Committee of Finance be adopted.

Due to clerical errors the following corrections should be made:

1. In the Estimates of the Department of Finance, Vote 11, p. 42, the description of subvote 15 should read as follows:

Remissions under Section 78 of the Department of Finance Act.

2. Vote 57, p. 110 should read as follows:

Interest on Public Debt — Crown Enterprise Share (Statutory) estimated 1979-80 — \$172,079,780; estimated 1978-79 — \$129,008,670.

Sub-total for interest on Public Debt — Crown Enterprise Share, estimated 1979-80 — \$172,079,780; estimated 1978-79 — \$129,008,670.

Less: Estimated Reimbursement: Subvote 1, Interest on Public Debt — Crown Enterprise Share, estimated 1979-80 — \$172,079,780; estimated 1978-79 — \$129,008,670.

Total for Interest on Public Debt — Crown Enterprise Share — Statutory Appropriation — zero (0).

Motion agreed to.

ITEM 1

MR. W.C. THATCHER (Thunder Creek): — Mr. Chairman, Mr. Minister, I'd like to also take just a brief moment to welcome your deputy back to Saskatchewan. In the limited dealings that I've had with him, I've always found him very co-operative and most

obliging and yet there is no question about it, I think he does his job effectively in your department and we wish him well. Mr. Minister, I notice in his resume (before he gets too comfortable there) when you hired him, looking over his educational qualifications, I noticed London School of Economics. I'm sure it is a marvellous school. It has cranked out some very prestigious graduates, Pierre Elliot Trudeau, John Kenneth Galbraith, Louis Rasminsky and the list goes on. They are very prestigious names and they all had one thing in common. They all had one thing in common, that is that they believe that all you had to do to run an economy (for a government to run an economy) was to simply print more money. They believe that all you had to do was keep the printing presses going and that you really didn't have to worry about producing any goods and services and that there was no possibility that your currency could ever collapse (that you could spend more than what the goods and services produced were worth) and that such a thing known as inflation could virtually wreck economies. But keep the printing presses going. To the deputy minister, I do hope he left some of his text books from his days in the London School of Economics in Ottawa.

Mr. Minister, I think it's fair to suggest that in some respects Saskatchewan is at the crossroads from a financial point of view at this point in time. Since you became the government (since the NDP became the government) in 1971 or as you became the government, at that time we had a provincial debt in this province of under \$500 million. You inherited assets and cash in the treasury worth about \$90 million. Eight years later, many things have happened in this country and many other countries and in this province. We had inflation. We've had many bills come due from the drunken orgy of spending that our federal government went on in the late sixties, many of these open-ended plans that they went into with no control, no consideration for the future. The bills have come due. We all know.

I think it's fair to say that, barring a major social upheaval or a major upheaval of some sort, we will probably not see a balanced budget in Canada in our lifetime. It's most unlikely. We have reached the point where it is probably impossible to balance the budget, and to those who would bravely say they will do so in Ottawa, I wish all the luck in the world. I am sceptical that it can be done under present circumstances.

Mr. Minister, in Saskatchewan we still have a chance. I believe our actual deficit for fiscal '78 was \$71 million. We have had a budget presented to us which suggested we will have a deficit of some \$49 million this year. I'm sure the minister is making a note that when he throws in all the figures, in fact we're going to have an actual surplus this year of \$67 million when you take the heritage fund; that's a different area and we'll go into that one a little bit later.

When it comes to what's coming in and what's going out, we're budgeting for a deficit of \$49 million, but have passed the stage where the surpluses that had been built up in other years were available for what has been termed affectionately by the minister as draw-downs. The bills have come due. We all know what that has done to our economy. Our dollar has collapsed. We have borrowed more and more, continually, in the hopes that by some logic we could borrow our way out of debt. Believe me, you can't borrow your way out of debt; goodness knows, I've tried and it doesn't work. The bill just simply is due and we find ourselves in 1979, in this province, with a debt at the end of this fiscal year of about \$2.6 billion.

Now I really don't know what they call it when something increases five-fold, (I lose track when it quadruples) but a five-fold increase in a nine-year period is just too much. Without going into any flowery adjectives, that's just too much and it's a highly

unacceptable level.

Mr. Minister, when I suggest to you we are at the crossroads in this province, I go back to the days in Ottawa in the early '60s, and much of the phraseology you used as Minister of Finance when you assumed that portfolio, about cyclical financing — we're going to tuck away some money in the good years and we'll deficit finance if necessary in the bad years. They talked that way in Ottawa back in those years. They are available for what has been termed affectionately by the minister as drawdowns. In short, the drawdowns have been drawn down; there isn't anything left to draw down in that account. So, Mr. Minister, that is why I say we are at the crossroads in this province. The next budget, whoever may bring that budget down — it is absolutely imperative, it is vital to the future of this province that that budget be balanced. If it is not balanced it may very well go the same way that they have gone in Ottawa, a picture of total financial irresponsibility, a lack of realism and completely losing control of the economy.

The results in Ottawa are obvious. Have you ever converted any funds into American money or into Swiss francs or into West German marks? For those of you who have I am sure you know very well what I am talking about. If somebody plotted, if somebody was planning to ruin our economy and had the opportunity to do so, I suggest he would proceed identically as the present administration in Ottawa has done this past 15 years.

So, Mr. Minister, I say to you, while obviously you are not going to do it this year, next year it is absolutely imperative, it is vital that you balance the budget or it may very well not be possible to do so again.

Mr. Minister, going back into our debt. I think it is fair to say when a government has been borrowing for the past five years and at a compound annual rate and a compound annual increasing rate of over 20 per cent, that that government is in a little bit of trouble.

So, in effect, when you are borrowing 20 per cent more than what you are redeeming in debt, you have to be in trouble. Now, we acknowledge that energy projects, etc., have become highly, highly expensive. We certainly acknowledge that borrowings must take place in certain capital projects. But, Mr. Minister, when you reach a point of \$2.6 billion that is just too much for a million people.

Mr. Minister, we have been over some aspects of this debate before and I know you are going to respond — look at the per capita debt of other provinces. Ours isn't as high as so and so. Mr. Minister, who cares what the provincial debt is in Prince Edward Island or what it is in British Columbia. What is important to the people of Saskatchewan is what they are paying now, what that debt is costing them. Granted much of that debt is to Crown corporations, but nonetheless it is a debt which is guaranteed by the province, a debt that is consequently guaranteed and paid for by every single taxpayer in the province of Saskatchewan.

Mr. Minister, I am going to suggest to you that this year, by the time you have completed all of your borrowings, that the people of Saskatchewan are going to pay an interest on that debt alone of \$250 million plus. I'm going to suggest to you that they will pay \$250 million interest on that \$2.6 billion debt. Mr. Minister, I gather by the way you're writing you're going to challenge that figure, and I invite you to do so. You will have orbited to \$2.6 billion. I suggest to you that the taxpayers of this province, every man, woman, and child will pay a per capita of \$250 in interest. Your family of four, wife, couple of kids —

the taxpayer in that family is going to pay interest in the neighborhood of \$1,000 on that debt. Mr. Minister, I suggest to you that that level of debt for one million people accumulated that rapidly is simply unacceptable. Mr. Minister, I suppose my opening question to you is, will you acknowledge the validity that the people of Saskatchewan will pay \$250 million plus in interest?

MR. SMISHEK: — Mr. Chairman, the hon. member is correct in saying we've covered this ground before. First of all I want to assure him that in the case of Mr. Douglas we are not proposing the Department of Finance take charge of the Queen's Printers. We're going to keep away from the presses so he doesn't print any funny money. Now in some other provinces they tried to print funny money and it didn't work, and we as New Democrats and socialists don't believe in printing funny money. I'm glad to have the hon. member welcome Mr. Douglas back to Saskatchewan, and recognize that he has been an able and dedicated public servant, has done good work for us before and will continue to do good work for us in the future. Mr. Chairman, I want to correct perhaps a bit of a wrong impression that the member tried to leave that somehow we are responsible for Ottawa's spending. I'm not going to assume the sins and the errors and their way. They can assume their own mistakes, and we do not propose to defend Ottawa's borrowing. We do propose to defend our budgets since we have taken office. I don't think it is fair to say that somehow Saskatchewan is at the crossroads. Saskatchewan has never been better off. Saskatchewan today is looked upon by many people in North America with a good deal of envy. Our economy is growing. Our economy is sound. Our financial position is sound as well. We have good fiscal management. We have good overall government management. As I said, we are in many ways the envy of most of the provinces.

Mr. Chairman, the hon. member made reference to our provincial debt. Let me deal with it very briefly. For 1979 our Crown corporations are estimating to be spending somewhere in the order of \$595 million for capital development. Of this total, \$225 million, or approximately 40 per cent, will be generated internally through retained earnings. The rest will be borrowed from other sources including the Saskatchewan Heritage Fund and the Canada Pension Plan Investment Fund. The proceeds of our public borrowings will be used by our Crown corporations, such as power, and Sask Power will be investing in gas generation and transmission facilities and electrical generating and distributional systems. Sask Tel will be purchasing new equipment which will ensure that this corporation is keeping up with the latest technological developments and improving its services to the people of Saskatchewan. These capital expenditures represent the confidence that these corporations have in the future of our province.

The member opposite, I believe, would agreed that capital investment should proceed. I would hope he agrees. I would hope that he agrees that it's important for Saskatchewan to keep ahead in our technology in Sask Power and Sask Tel, to expand so we can attract business and create jobs. No one likes to borrow but this is an area which, I believe, borrowing is appropriate. I would hope that he is not suggesting that capital investment and expansion for power and Sask Tel be paid out of current revenues. Because if that is the case, our rates for power and Sask Tel would have to go up at least 40 per cent in order to finance the current capital expenditures. I think this would be unfair to the consumers today. We are borrowing what we need and no more to increase the opportunities for the people of Saskatchewan. We are not burdening the present generation to benefit the future, rather we are matching the cost of the investment to the benefits that will flow from those capital expenditures today.

Now, this is the approach that we have taken, Mr. Chairman. I would recommend to the hon. member that he examined actually and compared to his satisfaction, of what is the situation in Saskatchewan compared to the other provinces. The latest figures show that we have the second lowest per capita debt in Canada.

A recent publication of A.E. Ames & Co., Ltd., states (referring to Saskatchewan) that this province has one of the best debt and financial management records in Canada. Now this is not our agency. This an outside agency — their reference to what Saskatchewan financial and management record looks like.

Mr. Chairman, in respect to our deficits — I can tell the hon. member that it would have been possible for us to balance the budget this year but that would have been at the expense of not providing added money to local governments — their revenue sharing - \$16 million. Now, is that what the hon. member is recommending that we shouldn't have done? It would have been possible for us to balance the budget by providing less money to local school boards and thus have local property taxes go up. Is that what the hon. member is suggesting? It would have been possible for us to balance the budget by providing less money for hospitals. Just a few minutes ago we heard the opposition member argue that somehow we should have been providing more money, yet we are providing for hospital care, between 9 and 10 per cent more than any other province in this country to deliver a good hospital service for the people of Saskatchewan. It would have been possible for us to help balance the budget by not reducing taxes for the senior citizens, not implementing the program which we promised, of eliminating school taxes for our senior citizens or not providing the \$16 million to the farmers in the fuel cost reduction program — all of this was possible and we would have been able to balance the budget and in fact, have a surplus.

I would like the opposition to tell us more precisely what programs they would have eliminated. Would they eliminate the hospital services program? Would they eliminate the \$77 million in revenue sharing to local governments? I think it is important for the hon. member to let us know where the opposition stands.

Mr. Chairman, the hon. member has already, in many ways, answered his own questions. When we combine the consolidated fund and the heritage fund, we end up with a surplus of \$68 million. I can tell the hon. member that the Saskatchewan budgets in the last number of years have been the envy of eight other provinces. The only province which has had a better financial record is the province of Alberta. Certainly our record is equally an envy of the federal government.

I am proud of the way we have managed our affairs, proud of the kinds of programs we have introduced. I think the people of Saskatchewan are equally proud and they approve of the things which we have done and what we are trying to do. I think that was demonstrated on October 18 last.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — Well I notice the minister was very careful to stay away from the suggestion (not suggestion but assertion) that Saskatchewan taxpayers are going to fork out \$250 million in interest on your debt. There are a couple of ways you can arrive at that figure. You can take your own figure on page 76, interest on the public debt is a percentage of the consolidated fund. You can see how it has risen rather dramatically in the past year — 8.68 to the end of the fiscal year, 1978. I assumed that it was going to go at that rate for the next couple of years and all of a sudden there is a percentage of

the consolidated fund for this year and it is going to be at 14 per cent. Or you can simply do it the easy way — take your \$2.6 billion, average out your interest rates of around 9 per cent and you are roughly into that figure.

Mr. Minister, you know very well that Saskatchewan residents are going to pay that \$250 million. They are going to pay that interest every time they pay a power bill, every time they pay a telephone bill, every time they put a gallon of gas in their tank, every time they buy a retail item they pay your sales tax, any time they pay their income tax, they are going to be paying interest on that debt.

AN HON. MEMBER: — Even Paul's cigarettes!

MR. THATCHER: — That's right. Every time they pay a tax — and in total they are going to pay \$250 million.

Now, Mr. Minister, something that does upset us about the debt, the way it has risen so drastically, is the manner in which its accumulation is accomplished.

Back in your estimates here there is a variety of votes for Crown corporations. This year we served notice that we would like to talk about what the various Crown corporations are going to use their money for. We would like to talk specifically about what SPC intends to use their \$117 million for? We would like to talk specifically what it is about. How did they arrive at that figure? Why \$117 million instead of \$107 million or \$147 million? Mr. Minister, your government refuses to give us that opportunity.

Instead, what do we see on the order paper? We see bills which increase dramatically the borrowing limits of a variety of Crown corporations' borrowing limits which allows that Crown corporation to simply send a note to this legislature and say we're going to borrow X number of dollars. Until we go over this limit, forget about it; we don't want to talk about it. We've been stonewalled by your government. They say go to Crown corporations in a couple of years and talk about it. Mr. Minister, I suggest to you today the inaccessibility of another point of view at your borrowing decisions has made some bad decisions easy. I don't say that by taking each one of them apart we're going to change your mind, but you know, in this day and age and in this legislature, you start talking in millions so carelessly you lose the conception of what a million is. We talk in tens of millions and in hundreds of millions. It almost numbs you to what those numbers really mean.

Mr. Minister, I would ask you for another year to consider throwing those loans out and letting the opposition scrutinize them right here in the Assembly. You've still got the majority. You can do what you want to do, but who is to say that from time to time a decent point won't have been made? The people who formulated those numbers, they're human, they're capable of making a mistake. You never know, maybe it will show up here.

Nonetheless, Mr. Minister, what I am saying to you is when we're dealing in the numbers that we are, there has to be a higher degree of accountability on the part of your Crown corporations. And of your \$2.6 billion, 95 per cent of it is to Crown corporations. Therefore, Mr. Minister, I don't think we're being out of line at all in making a very valid suggestion that these loans should be scrutinized before they're taken out, not long after the fact.

Mr. Minister, you have indicated in your budget your total borrowings this year are going to be \$595 million. I think you indicated that . . .

MR. SMISHEK: — Why don't you let me respond to that first point?

MR. THATCHER: — O.K.

MR. SMISHEK: — It might save time, Mr. Chairman, on the question of the total debt of the province, the member has made reference to \$2.6 billion. I don't know how he comes up . . . (inaudible interjection) . . . No, this is at the end of this fiscal year, March 31, 1980; for your information, the figure will be \$2.4 billion. That's \$200 million and that's a fair bit of money. The interest is not going to be (and this is a rough calculation not the exact figure) \$250 million as you claim, but about \$185 million. I give you those figures. It's still a lot of money and let's not quarrel about it.

Now, you also make the assertion that the taxpayer out of his taxes will be paying that debt. I'm sure you don't really agree with that assertion yourself because you know that 92 per cent of the debt is for Crown corporations and while it is true that the consumers of natural gas and electricity have to pay for the principal as well as for the interest, it is in their power or telephone rate that they will be retiring those debts. And when you compare our telephone rates and our power rates and our gas rates, they compare very favorably to the rest of Canada. Sure, in natural gas Alberta, through a rebate system that they provide to the householders, it's cheaper.

I wonder whether the hon. member has really analysed the budget and the financial statements that are appended and made any comparison. Our interest on public debt will be \$13.6 million in the coming year. That's 0.7 per cent of budgetary expenditures compared to the Conservative government of Ontario where the interest is \$1,388 million, or 9.2 per cent of their budgetary expenditures. Now while I would prefer that we didn't have that \$13.6 million some of it was inherited from previous administrations. We haven't acquired all of that ourselves, and I'll leave it at that, Mr. Chairman.

MR. THATCHER: — Here's how I came up with my \$2.6 billion. The figure your department gave me effective December 31, I believe, was about \$2.1 billion and I tacked on \$419 million that you were going to borrow after March, and I came up with the \$2.6 billion figure. Now, Mr. Minister, taking that a step further. Let's say it is \$2.4 billion. Now take your own figures out of the budget for 1978 debt service. Interest on the public debt as a percentage of consolidated fund cash inflows — your government portion you say is now 0.7 per cent but your budget for last year was 0.51 per cent, the crown enterprise portion was 8.17 per cent. Both of these figures I suggest to you have gone up rather drastically because of borrowings for this year. But taking those figures, multiply 8.68 by \$2.4 billion and you still come up with \$208 million. So respectfully, Mr. Minister, I suggest my figures are reasonably close. As you borrow more money (because this 8.68 per cent is only for March 31, 1978 and we're talking about March 31, 1980) that percentage figure has to go up. So very respectfully, I suggest to you my \$250 million is pretty close.

MR. SMISHEK: — Mr. Chairman, the difference is that some of the debt has come due and will be paid off and some of the debt is going to be due. I'm prepared to give the hon. member the information of the estimated debt as we have it. Well, they might examine it, Mr. Chairman, and I can probably proceed to deal with the next question that he raised, which is on Saskatchewan Power, capital expenditures and what we will

be borrowing. For the information of the hon. member, in the case of the electrical system, he raised the question of what it's in, in the case of SPC, for. It's for a variety of projects: in the case of the electrical system, \$125 million; in the case of natural gas, just about \$22 million; the others not quite \$6 million; for a gross requirement, capital is \$152.7 million. They will generate internally \$35.3 million, and the net requirements for borrowing will be \$117.4. We will not be borrowing \$595 million as he implied. That's the total capital expenditure program and we are generating roughly 40 per cent of that internally. Now, I trust that is the information you are asking for.

MR. THATCHER: — Mr. Minister, I didn't imply you were borrowing \$595 million because I believe you are doing generating of, as you said, \$225 internally. But looking at your numbers here, Mr. Minister, it seems to me in the budget the figure shows the total borrowings are going to be \$419 million, and you show estimated borrowings for '79 and '80 of \$329 million. Now, you show debt redemptions for Sask Power, Sask Tel, etc. for \$14,175,000. Now, Mr. Minister, on page 51 of the budget, non-budgetary transactions, you show that as an in-and-out. You show it coming in, and you show the same figure going out. So it's an in-and-out thing. You take the 2.1, add on 419 instead of 325, and you've got here, and, I believe, your budget very clearly says \$419 million, which is the figure I've taken. That gets us over 2.5. Mr. Minister, I'm not suggesting you're misleading the House, but I'm a little confused here because I'm just using your numbers.

MR. SMISHEK: — Mr. Chairman, it all depends on how you place the interpretation. Now I refer you to page 40 of the budget speech.

As in the past, Crown corporation will continue to play a significant part in the economic development of Saskatchewan. It is estimated that Crown corporations will spend \$595 million for capital development in 1979. The corporations themselves will generate \$225 million, leaving \$370 million to be financed from other sources. In addition, short-term borrowing of \$49 million will be used to match expenditures with the slower flow of revenue. Thus the province will require in total \$419 million to finance capital requirements.

Now on page 41:

A number of capital sources are available to the province: \$94 million will be provided by the Saskatchewan Heritage Fund; \$77 million will be available from the Canada Pension Plan Investment Fund; \$248 million will be borrowed in the major public Canadian and United States dollar markets.

Now I think perhaps that puts the matter straight, Mr. Chairman, in terms of what we will be borrowing from the public markets and the funds which we will be generating internally, using the heritage fund and also using the Canada pension fund.

MR. THATCHER: — From the minister's comments, might I assume that the \$94 million your Crown corporations are going to borrow from the heritage fund are in fact, in your view and the view of your department, really not borrowings at all? Am I to assume that from your remarks? Because you apparently choose to remove the \$94 million that will be borrowed by the Crown corporation from the heritage fund as borrowings. It appears the borrowings that are being done from the Canada pension plan, you don't consider to be borrowings either.

MR. SMISHEK: — Mr. Chairman, perhaps we may not be that far apart. In the case of the \$94 million from the heritage fund (as the hon. member has taken note of) on page 118 of the estimates, you'll note that \$78.7 million is equity, advance to SMDC (Saskatchewan Mining Development Corporation) which is not going to bear interest. In the case of \$13.4 million, it's a loan to the Potash Corporation of Saskatchewan. That's the way the \$94 million is accounted. We'll probably get to it; later on he'll probably want to ask some further questions, but I merely draw that to his attention.

MR. THATCHER: — Well, Mr. Minister, let me just clear up a point. Am I correct in interpreting that the view of your department is that the moneys you are borrowing (that Crown corporations borrow from the heritage fund) are really not loans. So you don't consider them as part of the provincial debt. Am I correct on that assumption?

MR. SMISHEK: — I was saying, if you'll take a look at the figures, it's a figure of \$325 million borrowings or the budget. It's outside the government. Certainly, we do not consider equity money as borrowings. We do consider, say, in the case of the potash corporation borrowing money from the heritage fund, it's a debt that they owe — the \$13.4 million. They'll be paying interest and eventually the principal repayment.

MR. THATCHER: — Mr. Minister, we've always been a little suspicious on this side of the House that the gifts from the heritage fund to the Crown corporations were something that nobody (on your side of the House anyway) seriously ever expected would be repaid. Perhaps we should move on to the heritage fund, Mr. Minister. I still have to take rather sharp issue with you that the actual figure which the people of Saskatchewan are going to pay is \$185 million because, Mr. Minister, I don't think your figures jive. In fact, this thing says your figures don't jive. Just take the figure that you've taken here of 2.4 and let's concede you that one. If we're not going to call that the heritage fund, if you're not going to call that part of the debt, all right let's concede you that one. Take your figure out of the budget for this 8.68. When you put the two together, I think I'm pretty close. For what I'm out on that \$250 million in interest (Well, I'd hate to fight an election on the difference anyway) . . .

Moving on to the heritage fund, Mr. Minister (while we're discussing the odd debating point here) perhaps you could ask your staff to break down the \$722 million. In the budget, you indicate that the assets of the heritage fund at the close of the 1980 fiscal year, March 31, will reach \$722 million. I would like to break that down into the cash and the assets or exactly what goes into arriving at that figure of \$722 million.

The heritage fund is known as such — a heritage fund. Might I respectfully suggest to you that you must have gotten a little flack from your counterparts or from your people over your use of the funds derived from non-renewable resources. As we all know, I suppose there is a limiting factor on the non-renewable resources and how long they will be available to generate revenue. I guess people in Saskatchewan have looked with a great deal of envy of the very skillful way in which our sister province of Alberta has used the funds derived from non-renewable resources and virtually assured the quality of life of generations to come in that province. In contrast, Mr. Minister, no such course of action has been taken in Saskatchewan. This year revenues into the heritage fund are over \$515 million. There is one little hitch. Out of that \$515 million there is a little item called dividend, dividend to the consolidated fund from the heritage fund. Dividend is an interesting term. It's debatable whether it's dividend. It's debatable whether it's even a heritage fund, because, Mr. Minister, of the total heritage fund revenues you are going to take 82.5 per cent of it and you are going to put it into general revenue. Mr. Minister, if you were to do what Alberta does and if you were to use this fund truly in the

fashion in which you have named it as a heritage fund, something that is set up to ensure the well-being of future generations, if you were doing this thing as you have named the fund, then might I suggest to you that this provincial deficit would not have been \$49 million but considerably more. If you had left those dollars in the heritage fund, as the name suggest to many people in Saskatchewan that you do, you would be in deep, dark trouble. The fact of the matter is, Mr. Minister, to make your numbers tick at all, you've had to take 82.5 per cent out of the heritage fund and put it into general revenues. Well, O.K., Mr. Minister, I'm sure you're waiting to get up and tell us that you are ensuring the future of the North by putting \$78,700,000 into Saskatchewan mining and development, that you are going to put another \$13 million . . . (inaudible interjection) . . . you know I can stand anything except the support from you people across there . . . that you are going to put another \$13,400,000 into the Potash Corporation of Saskatchewan and in short, that you are going to spend about \$94 million and that that really isn't ordinary expenditure.

Mr. Minister, for the life of me, when you take 82.5 per cent of something out of a fund and you throw it into general revenue and you spend it on day-to-day purposes, that really isn't much of a heritage fund, a very poor pension plan maybe but really not a heritage fund. I will let you respond to that before I move on.

MR. SMISHEK: — Well, Mr. Chairman, a couple of questions — the hon. member asked for a breakdown of the assets of the heritage fund and a breakdown in that of the \$722.2 million. These are short-tem investments and due from the consolidated fund as of March 31, 1980, \$138.9 million; loans and advances, which are interest bearing, \$36 million; investments in Crown corporations, that is equity, \$547.3 million, for a total of \$722.2 million.

MR. THATCHER: — Would you break that \$547.3 million down please.

MR. SMISHEK: — Yes. Crown Investments Corporation, \$10 million, Saskatchewan Mining Development Corporation, \$118.7 million, Saskatchewan Potash Corporation, \$418.6 million.

Mr. Chairman, the hon. member makes reference to the amount that we take from the heritage fund for ordinary expenditures. First of all, the non-renewable resource money goes into the heritage fund. Then we take, under the statutes, under The Heritage Act, we cannot take any more than 80 per cent for ordinary expenditures. That is the law. I don't know how he arrives at his figure of 82 per cent.

MR. THATCHER: — 82.5 per cent.

MR. SMISHEK: — Well, I don't know how you arrive at that. Take a look at page 113, that is of budgetary expenditure. The \$328 million for ordinary expenditures out of \$10,706,000 is 63.7 percent. Maybe what we should do is invest in a new little pocket calculator for you that works because it doesn't seem to produce the right figures. That is the correct figure and I invite you to do it for yourself because that is the figure.

There are other expenditures all of which are accounted for. The hon. member may be interested that in the case of Alberta, they take 70 per cent of their heritage fund for ordinary government expenditures while we are taking this year 63.7 per cent.

MR. THATCHER: — Well, Mr. Minister, you are a little thin on that one and I think you know it because you are putting \$328 million under the consolidated fund, but in your

loans and your advances in investments you are also taking another \$94 million. You know very well that there is 82.5 per cent that is not going into the heritage fund. It's going out and is going to supposedly, be part of this \$722 million.

Mr. Minister, before we proceed further into this, could you describe the kind of short term investments. I assume that \$138.9 million figure you gave me — is that cash, debentures, liquid or what would you call that?

MR. SMISHEK: — Mr. Chairman, the \$35.8 million is in both short term and medium term investments. It is in short term securities and debentures. Some of it is even in municipal. The \$103 million is due from the consolidated fund into the heritage fund. Now, I give you the total of \$138.9 million.

MR. THATCHER: — Mr. Minister, in indicating that the assets of the heritage fund will approach \$722 million, it is interesting to note the kind of return that is anticipated on that \$722 million. It is interesting to note that if you take the current rate of interest on \$722 million — you know what that brings in. So, Mr. Minister, I suppose it is a logical question to pose to you that if this \$722 million is doing the job that you and your government say it is doing, that if it is really ensuring the prosperity of the unborn generations to come, etc., then where is the return that those of us who happen to be around in 1979 can see? What is the return this year on the \$722 million? By your figure in the budget here, it doesn't look too impressive. Where is the return? What is the return on it? You're only indicating about \$4 million. Mr. Minister, does your department regard that sort of return on 1979 dollars as a satisfactory return on an investment of \$722 million?

MR. SMISHEK: — Well, Mr. Chairman, the hon. member is aware that the largest component, \$400 million and some, was invested in potash. The potash corporation does two things in terms of returning money to the province; they pay their taxes with royalties and other taxes that are levied (and incidentally we don't get hassled by the potash corporation in the courts). We know they pay their royalties and taxes to the province without any problem. Then, in turn, they return a profit. For the last year that we have a complete year's experience, over \$10 million was made by the corporation in profit. You will have noticed in the consolidated statement of CIC (Crown Investments Corporation), I believe they reported for the period ending December 31, 1978, a profit recorded there of \$20 million. I have confidence the potash corporation is going to return a good profit for the people of Saskatchewan on a long-term basis in case of other corporations doing likewise.

Now, we have a difference in philosophy. The hon. member would prefer that somehow we took that money from the heritage fund and invested it in marketable securities. And it's true they would return us today 10 per cent per annum or somewhere in that area or perhaps a little more. I think if the hon. member took a look, had we in this province and elsewhere decided 50 years ago or 25 years ago to invest in our energy resource industry or in the mining industry, we would have been getting much larger dividends to the people of Saskatchewan than what marketable securities and bonds can give us. I am confident that future generations are going to be grateful for what we have done because they will be getting good royalties, they'll be getting a profit, and at the same time the industries' value is going to continue to appreciate year after year.

MR. THATCHER: — Well, thank you, Mr. Minister, for extolling the virtues of Potash Corporation and many of our other resource sector industries. If I may briefly pose a

question to you, Mr. Minister. During the estimates for the Department of Mineral Resources, which I understand administers the revenues for the heritage fund — or at least they bring them in, collect them for you — the minister in charge of mineral resources acknowledged that the revenues they expect to receive this year are less than last year. When that minister was asked what percentage of the total revenues received for potash into the heritage fund for the year ending March 31, '79 came from the Potash Corporation of Saskatchewan, he refused to answer. Maybe you'd like to volunteer that information because the actual figure was \$113 million. The minister of mineral resources said that it was not in the public interest to tell us what percentage of that came from the Potash Corporation of Saskatchewan. And he also refused to tell us in the budgetary estimate for the year ending March 31, 1980, what percentage of the \$112.9 million was budgeted to come from the Potash Corporation of Saskatchewan. Again he refused saying it was not in the public interest. If you would care to provide that information that your counterpart was fearful to provide, then my compliments to you and we'd be very grateful.

But I suggest to you the reason the Minister of Mineral Resources would not provide that information was because the percentage didn't even come remotely close to the percentage of productive capacity that Saskatchewan Potash Corporation has of the industry. They have approximately 50 per cent right now, and I suggest to you the revenues they are putting into the coffers don't even remotely come close to the proportion of the market that they hold. Mr. Minister, if you would care to make those figures available we would be delighted. We don't believe it. We think it is in the public interest because we think it is an indictment on the heritage fund. We think that it is an indictment that many of the advances that have been made into Crown corporations are simply not going to do the job where they have to compete with the private sector.

Mr. Minister, when one looks at your budgetary estimates coming into the heritage fund we see oil. It's straightforward; we see a figure. We see revenue from potash; then we see the other revenues. You break it down — natural gas, sodium sulphate, other non-renewable, etc. And the only other source of revenue that is coming into that heritage fund is interest. Now you're saying that the investments of the heritage fund or that the assets are going to be worth \$722 million by the time this fiscal year is done. Yet you are only anticipating that that \$722 million is going to bring in \$4,350,000 from some interest source. Mr. Minister, cut it any way you want but that has got to be lousy arithmetic, that's got to be bad investment.

I did not make the statement incidentally that it should be in marketable securities. You bet I'll make the statement that we shouldn't have 418.6 in Sask Potash Corporation; it was a lousy investment. Mr. Minister, I would like to suggest to you today that some of the numbers coming out in your own budget suggest that it's a lousy investment. I am aware that Sask Potash Corporation has recently released a report in which they purport to make \$20 million out of an equity investment . . . (inaudible interjection) . . . Somebody over there said, ah ha! You know that ah ha is just indicative of the financial expertise that's over there. I think he really thought he was scoring a devastating political point. You take an equity out of the heritage fund or the old energy and resources fund — \$418.6 million and we have generated a \$20 million profit. The bright guy over there with the ah ha with his devastating debating point thinks that is an adequate return. Mr. Minister, I can only suggest to the haw over there, my sympathies.

Mr. Minister, the numbers just simply don't bear out that that \$722 million has been handled wisely. When you have got SMDC — granted the jury may still be out on that one and we'll see in the intervening years — but Sask Potash Corporation; I think the

action of the Minister of Mineral Resources was a far more efficient indictment that I could ever make by his refusal to give those figures. Again, if you want to provide them to this House, my compliments to you if you do. If you've got something — I want to move on to something else. Do you want to reply to that?

MR. SMISHEK: — Well, Mr. Chairman, I think the hon. member does not suggest that we should be covering old ground. I think we have a rule in here that things which have been dealt with shouldn't be dealt with over and over again. I do not have the breakdown. I think I tend to agree with the Minister of Mineral Resources. Mr. Chairman, we do not provide (and I think it would be unfair because there is a competitive nature of things) a breakdown of sales tax which has been paid, company by company. Surely he would not be suggesting that we provide this legislature with how much sales tax Hudson's Bay or Eaton's or Canada Safeway, or anybody else pays. There is the competitive nature that is there and there are certain things which need to be kept confidential in the interest of business. We don't provide this legislature with a record of what individual taxpayers paid in personal income tax.

Now I don't think the hon. member would approve that the legislature, or I, as Minister of Finance, would expose what every farmer, what every rancher, what every doctor and every lawyer paid in personal income tax or how much corporate income tax was paid by every corporation in Saskatchewan, because there are things which I think must be kept confidential and are, in fact, not in the public interest to be disclosed.

In the case of the Potash Corporation of Saskatchewan, they said the investment was a bad one when we decided to acquire potash. They said it wasn't going to be making any money. Well, they also said we didn't know how to manage it and that people aren't going to buy potash from a publicly-owned corporation. On every count, Mr. Chairman, they were proven wrong. In the first few months of the Potash Corporation of Saskatchewan, I forget just what it was, but something like \$800,000 of profit was made. They tried to make a big to-do about it, how inefficient it was. A year later the corporation made \$10 million and their faces were red.

The report of CAC (Canadian Acceptance Corporation) comes out and again, the profit is \$20 million and this is not for the full year of operation of all the companies which have been acquired.

I think if the hon. member has a little bit of patience — remember, we are also taking some of the profit of that corporation and reinvesting it to upgrade and improve the plant.

I have confidence that my children and my childrens' children will be grateful for the courage of the Blakeney administration and the foresight of the Blakeney administration to have acquired 50 per cent of the potash production and to have that control for the people of Saskatchewan, and at the same time to have a portion of it operated and controlled by the private sector so that there can be a reasonable comparison.

MR. THATCHER: — For a minister who is supposed to specialize in numbers, you sure do stay away from them when you are replying, Mr. Minister. As we rehash this debate every year (maybe we are both getting numb), I don't know whether I am getting better or you are getting worse.

Mr. Minister, I would have to say, respectfully, I think you are a little bit thin there. You know very well in the first year when we are talking about the heritage fund and you look at the revenues, that the numbers do not support your position on Sask Potash

Corporation. If they did you would stuff them down our throats so quickly — and having had you stuff the odd thing down my throat before — you know very well the numbers aren't there. The fact that you don't want to tell us the breakdown on revenues from the private and public sector is simply not a question of it not being in the public interest, it is not in Sask Potash Corporation's interest to have you give us those numbers. Probably as they are as bad as what we speculate they are and were we over there, we might be a little hesitant to put them forward also and I appreciate your position.

Mr. Minister, if I may move on to something else on the heritage fund. I would like to suggest to the minister many of the advances that have been made into Crown corporations have been made on a very poor basis. I would, respectfully, suggest to the minister many of the advances that have been made to Crown corporations will never be paid back to the heritage fund.

Mr. Minister, the heritage fund shows revenues of \$515,056,000. Mr. Minister, you are taking \$328 million and you are going to put it directly into the consolidated fund. Now, you have \$50,040,000 which are things like grants for petroleum, natural gas, research grants, heavy oil, etc. Then you have what you call the provincial development expenditure, which is \$19,775,000. The total of all that is \$397,815,000. We started out with \$515,056,000. Mr. Minister, this leaves us with \$117,241,000. Now, it would be nice if even all that amount was going into the heritage fund, but it is not, and that is where you start to give away into the Crown corporations. You are putting \$78,700,000 into Saskatchewan Mining Development, \$13 million etc. O.K. You are putting \$94 million plus into that.

Mr. Minister, in your budget you indicate that \$23 million which is \$94,100,000 taken away from \$117,241,000, that is going to leave us with \$23,141,000. Now, Mr. Minister, your budget says \$23,491,000. Mr. Minister, I respectfully suggest that you have lost \$350,000 somewhere.

MR. SMISHEK: — Perhaps I don't get your mathematics.

MR. THATCHER: — When you cut it right down, out of \$515 million, after you take the \$328 million for the consolidated fund and you take a total of \$50,040,000 for the grants, etc. and your provincial development expenditure which is \$19,775,000 (I'm sure your people can explain it), that gives you a total of \$397,815,000. You take that figure away from the revenues that came in which is \$515 million. You're down to \$117,241,000. However, you're going to give \$94,100,000 to Crown corporations. Mr. Minister, my mathematics say that that comes out \$23,141,000, not \$23,491,000 as your budget suggests.

MR. SMISHEK: — Mr. Chairman, I wonder whether the hon. member might refer to page 5 of the estimates. Under heritage fund, you'll notice advances to Crown corporations and repayments of advances — \$350,000. The total is \$93,750,000.

MR. THATCHER: — Mr. Minister, your people came up with that one quicker than I thought they would. But Mr. Minister, there is a point behind that. The only advances that are coming back after all this money has gone out (the only money that you're going to put back from your Crown corporations this year) is \$350,000. Mr. Minister, that is pretty bad. You put this money into these Crown corporations with no repayment schedule whatsoever, no principal repayment, no interest bearing provision. Incidentally, could you tell us which Crown corporation is giving us the \$350,000? Do you have that offhand?

MR. SMISHEK: — Saskatchewan Power Corporation. It's the rebate on the Warm Up Saskatchewan. It's not interest. You may recall that last year, we started Warm Up Saskatchewan. The money is available to people — up to \$1,000 interest free up to a period of 3 years. The \$350,000 is the repayment on Warm Up Saskatchewan this year, if the hon. member takes a look. We're making \$2 million available to the Saskatchewan Power Corporation. It's interest free for Warm Up Saskatchewan.

MR. THATCHER: — It may very well be, Mr. Minister. Nonetheless, you have put \$547 million into your Crown corporations on a very bad basis. You put it in because that money is not going back into the heritage fund. At least, might I respectfully suggest that you and I are not going to see it go back, in any event. The money was put out and I think you know full well that the money from the potash corporation will never be repaid to the heritage fund. When you look at the revenues coming in and when you refuse to tell us what the percentage of the revenues is in terms of the percentage of the market they have, that has to be a further indictment. There is \$94,100,000 going out into Crown corporations and \$350,000 coming back on some basis. Mr. Minister, I suggest to you that that is just unsatisfactory.

MR. SMISHEK: — If the hon. member looks at page 118 of the estimates, he will notice that in Vote 61, last year we provided an advance or a loan to the potash corporation of \$20 million. The \$20 million loan is repayable in the following way: \$5 million on June 30, 1984; \$5 million on June 30, 1985; \$5 million on June 30, 1986, and \$5 million on June 30, 1987. The potash corporation is paying interest at 9.3 per cent on a semi-annual basis and the money is going to the heritage fund. The 9.3 per cent rate of interest is the same rate of interest as we were able to get or the potash corporation could have got on the open market. We are not giving them a bargain. We are giving them exactly the same deal that they would have been able to borrow on the market.

MR. THATCHER: — Mr. Minister, could you tell us what the rate of interest is on the other \$398.6 million that the potash corporation has from the heritage fund?

MR. SMISHEK: — That was an equity advance.

MR. THATCHER: — In other words, Mr. Minister, that one is interest free. The other \$398 million is interest free and there is no rate of repayment. Would the minister tell us the other advances from the heritage fund for this year? The \$78.7 million that is going into SMDC (Saskatchewan Mining Development Corporation), is that interest free or is that an equity?

MR. SMISHEK: — That is equity and has been noted. This is based on what they have estimated their needs will be, and that's intended to be equity money and not a loan. Whether they will pick up the whole \$78.7 million at this stage, I can't tell you.

MR. THATCHER: — With your total investments in Crown corporations of \$547.3 million, would the minister tell us — you have indicated with the \$20 million PCS (Potash Corporation of Saskatchewan) got last year that there is a rate of repayments; there is an interest rate — is that the only one or how is it broken down?

MR. SMISHEK: — Mr. Chairman, the \$20 million we have already dealt with. You remember the heritage fund was just set up as of April 1, 1978. This year, \$20 million of interest will be paid and the \$13.4 million to the potash corporation, they will take out as a loan. They will be paying interest (they have not picked up the money) at whatever

the interest rate will be. You know whatever the rate is on the market, that's what they will be able to borrow the money at. Now whether it will be 10 per cent or whether it will be 9.5 per cent depends on what the market rates are.

MR. THATCHER: — Mr. Minister, when the legislation setting up the heritage fund came in, it was indicated that the appropriations must go through the legislature and I believe that's written right in the legislation. Mr. Minister, when these Crown corporations come in and we have the votes, for instance on PCS on Vote 61, is the minister prepared to assure the Assembly that in light of the way this legislation has been written that we will be given a very adequate opportunity to question the people involved as to precisely what they have in mind for this \$13.4 million? I am sure the minister is aware that for the heritage fund the legislation indicates it must go through the legislature. That's why the vote is here. Is the minister prepared to assure the Assembly that we will be able to talk to the PCS people in this Assembly before this \$13.4 million is borrowed?

MR. SMISHEK: — Mr. Chairman, in the case of Vote 61, \$13.4 million is to be voted. As we are dealing with the estimates this afternoon, that subvote is up for consideration. You will not have an opportunity to talk to the PCS people. You have a chance to talk to me about it because that is to be voted, similarly, in case of Vote 62. Certainly you are entitled to ask questions on all those that are to be voted on. You are certainly entitled to ask general questions.

MR. THATCHER: — Thank you, Mr. Minister . . .

MR. SMISHEK: — Well, Mr. Chairman, I understand, pardon me, that some of these have already been dealt with. For example, in case of potash, when the Department of Mineral Resources was up, that has been dealt with and has been voted. Similarly, in case of SMDC (Saskatchewan Mining Development Corporation), my understanding is that those have already been disposed of. The legislature had the opportunity to ask questions and they did.

MR. THATCHER: — Mr. Minister, we're getting down to that time of year when I think we would all rather be elsewhere. You know the member for Moose Jaw North (Mr. Skoberg) just might rev me up till 10 o'clock tonight. We're just at that stage if you want to keep it nice and easy we're going to be out of here in a hurry. On the other hand, I can get a second wind in a hurry, too.

Mr. Minister, in summing up on behalf of the people on this side of the House, I sincerely hope you will balance the budget next year, that you'll make every effort. And I want to assure the minister if needs help to balance that budget, help is available from this side of the House. We'll come across and balance it for you. You asked me how you would balance the budget. We'll show you; give us access to the same sort of thing you've got. We'll balance the budget, and we'll balance it quickly.

Mr. Minister, \$71 million for a deficit last year is unsatisfactory for an actual deficit; \$49 million for a deficit this year is unsatisfactory. Mr. Minister, you know very well the budgets have been balanced in this province under much more arduous circumstances than has been the case in Saskatchewan for the past two to three years. Mr. Minister, I mean it most sincerely when I say if we do not get back on the course of

balancing our budget very quickly, very quickly, it's going to be highly, highly difficult to ever do it again.

Mr. Minister, the heritage fund should not be used in the fashion that it is into general revenue. We can debate the philosophy of what should be done with the revenue, granted. Far be it from me to tell you to keep it in cash because cash is not the answer either. Mr. Minister, the Crown corporations I suppose is where we part company. The Government of Alberta has done some very astute things with their heritage fund. They have also done some things that I suppose could be called into question. One thing I think the Government of Alberta has done is prove one fact in the airline business. I think the Conservative government of Alberta has proven that they can run a worse airline than a Liberal Government in Ottawa! But that's a matter of semantics.

Mr. Minister, using the \$328 million, that's where I really have to part company with you. The \$94 million you're putting into Crown corporations is a philosophical debating point. If we were there we wouldn't do it; you're there, you do it. That's fine; the people decide that one.

The one that is deadly long-term is that \$328 million you're asking to put into the consolidated fund which is basically being squandered or spent on a day-to-day operation.

You know very well, Mr. Minister, it's like spending your capital. You've got so much to finish your time out; it's your capital. As long as you're living off the interest of that, you're all right, but when you've got to start spending that capital to go into your day-to-day operation you're in trouble. It's like somebody who is retired and has accumulated many assets and is able to live off the interest or whatever those investments can bring him. But when he's got to sell his capital to live, he's in trouble.

Mr. Minister, you know that our capital in many ways is our natural resources such as our oil and potash, but when they're gone they're gone. Granted we've got potash for perpetuity, perhaps, but the other ones we don't, and I suggest to you, Mr. Minister, that taking that \$328 million from the heritage fund is living off our capital.

What I'm saying, Mr. Minister, is that it is time to re-evaluate everything. It's time to challenge the notion that simply because a government program was put into effect 10 years ago, it stays there for perpetuity.

Now I'll throw one out for the minister to consider. Perhaps it is now time to look at what is known in some sectors as a sundown clause. When a government program goes into effect, perhaps it should automatically have to be reviewed by the legislature in a certain number of years; may it's five, maybe it's ten I don't know.

But, Mr. Minister, you know very well how your options are restricted as you prepare a budget. Your former deputy is on record a couple of years ago as indicating that before you even sit down to make up a budget, between 80 and 85 per cent of it is already committed from past programs. When an inflation factor of 8 to 9 per cent in the course of the economy and in your expenditure is already built in, plus past commitments, you don't have a great deal of room to manoeuvre. I'm not telling you anything you don't know. Your people know about it far better than I do.

That's a very difficult situation to do business under but it's something we're going to have to do, because you've got to stop taking money out of that heritage fund, at least

that percentage of it. That's too much. Perhaps some is justified but, taking as much as you are means we're living off our capital.

You're going to have to re-evaluate these programs on the assumption that because somebody set it up in 1960 or 1975, they should be re-evaluated and you should not necessarily be committed to them year after year after year.

Mr. Minister, I am basically closing out. I have the odd comment as we go through your estimates, very quickly. Hopefully we can finish your other ones before 5 o'clock.

In closing, Mr. Minister, I hope you will take it as a constructive undertaking and take it seriously, that the people who have been running Ottawa for the last 20 years have, perhaps, fouled this country up irreparably; perhaps they have. You know what has happened to our dollar. The borrowings will never pay off our national debt and I don't expect you nor I will ever see a balanced budget in Ottawa in our lifetime. We are well down the road to that happening in Saskatchewan. I can't change it, but you can, assuming you are bringing the budget down tomorrow.

Mr. Minister, in many ways I don't think our philosophies are all that different. I can't do it, it has to be you. If nothing else, Mr. Minister, I hope I get an undertaking from you that you are going to do your damndest to balance the budget. Because if you don't, the budget you bring down next year may very well be the most important budget in this province since World War II. I can't do it, it is up to you. So I have to ask you and I hope you will take it as an undertaking.

MR. SMISHEK: — Mr. Chairman, I tend to agree with the hon. member in the area of governments having the responsibility for managing their financial affairs in a prudent manner, which I think we have done. I think the hon. member will recall that we started off with a surplus of about \$112 million. We have been drawing down on that.

Back in 1973 we said that it was important to balance the budget on a long-term basis. That is a commitment that we hold to. Whether it will be next year that we will balance the budget, I can't promise today because there are a lot of imponderables, a lot depends on the kind of economy we have. If we have a good year, if agriculture is healthy — certainly there is every indication that in the mineral resource area we will have a good year, every indication that the construction industry will be healthy. Agriculture is always difficult to predict. But subject to our agriculture being healthy, barring any unforeseen things or disasters that might hit Saskatchewan, we, as a government, are looking forward to probably next year, balancing the budget but it is, at this stage, impossible to make that commitment. I agree with the hon. member that it is important for governments to examine their programs very carefully, whether it's having a sunset day (I tell you, I've had some experience with this sunset) it is important that you initiate a program. We have had the sunset approach particularly by the feds. They'd say, fine, we will initiate a program for three years, providing the province shares it with us for a period of three years. The program becomes so popular that it's darn tough to turn it off.

In case of our budgeting we have what is called the A budget, the B budget, the X budget, which means to X a program or eliminate it. Perhaps we have not been as successful as we would like to have been and it's because of the kinds of programs there are. You introduce programs, people like them and it's darn tough to turn them off.

We've had a few experiences in the last few days where we tried to turn some of the programs off. Delegations and representations are made because programs do tend to become popular and get us support.

But I think it's important and tend to agree with the hon. member, that we try to live within our means on a long-term basis. We believe there is no special virtue in living within your means from year to year, but on a long term basis — as the hon. member knows, we started off with \$112 million and we've now virtually drawn that down. But I think that our financial position is such that there is no comparison between our ability to, barring some unforeseen catastrophes, within a four or five year period, live within that cycle and balance the budget in that period.

I tend to agree with him because certainly we as Canadian citizens have a problem on a national basis, because of probably living beyond our means in certain respects, and at the same time what is happening is that our economy is not performing to employ those one million Canadians who need jobs and need to produce to contribute to our taxes and the well-being of the country.

MR. KATZMAN: — Mr. Chairman, I would ask to be heard for item 1 only for one reason. If the minister could provide for us, from item 1 to item 7 inclusive, the estimated 1979 salaries, the actual 1978-79 salaries and the estimated 1978-79 salaries for the top three in each of those votes? He can send it over later.

MR. SMISHEK: — I don't think I have it with me for the top three but we will make it available.

Item 1 agreed.

Items 2 to 23 agreed.

ITEM 24

MR. KATZMAN: — This \$100,000, is, I assume, a guesstimate of what the problem will be. If it's a bad flood year and so forth, there is more — that's not a limit?

MR. SMISHEK: — Agreed.

Item 25 agreed.

Ordinary Expenditure — Vote 11 agreed.

FINANCE VOTE 12

Item 1 agreed.

Ordinary Expenditure — Vote 12 agreed.

FINANCE VOTE 58

Item 1 agreed.

Finance Vote 58 agreed.

**FINANCE
VOTE 55**

ITEM 1

MR. THATCHER: — Could I ask the minister just to explain exactly where this is going? I know it's a debt redemption. Are these funds from the sinking fund, Mr. Minister?

MR. SMISHEK: — Mr. Chairman, as I understand it, these are all Crown corporations and it's true that the money might come out of their sinking funds. It's redeeming the debt that's come due.

MR. THATCHER: — Mr. Minister, under this vote, I did want to ask you a question concerning your sinking funds. I noticed somewhere in the inputs or in revenue, the figure \$681,000 of payments into sinking funds. I assume that's only the public portion, not the Crown.

MR. SMISHEK:— That's Vote 56, the one underneath it.

MR. THATCHER: — Can you tell me a little bit more about that \$14 million? Is it for any specific Crown corporation, or is it for several?

MR. SMISHEK: — Just about \$4,942,700; Sask Tel — \$8,484,000; Municipal Development Loan Fund — \$684,270; Federal-Provincial Employment Loan Program — \$64,640, for a total of \$14,175,910.

MR. THATCHER: — Is this money from the consolidated fund? Is it taken out of the consolidated fund?

MR. SMISHEK: — Let's take the Crown corporation, for example, the Sask Power Corporation. We pay, out of the consolidated fund and they reimburse us. That's their loans.

Item 1 agreed.

**FINANCE
VOTE 56**

ITEM 1

MR. THATCHER: — Mr. Chairman, in a conversation with Mr. Meiklejohn . . . (I shouldn't be quoting one of your employees by name) . . . but I believe he told me you put roughly 1 per cent of the loans of a Crown corporation into a sinking fund per year. I apologize for using inappropriate phraseology. How do you handle that money as it is paid in?

MR. SMISHEK: — Mr. Chairman, the answer is yes. In the case of recent loans — 1 per cent; in the case of some of the old loans it is up to 3 per cent. That's what the sinking fund puts in.

MR. THATCHER: — The sinking fund payments, as it is accumulating, do you have any particular formula how you handle that money? I assume you keep it relatively liquid, but basically, what do you do with that money — with sinking fund money?

MR. SMISHEK: — It is set aside and it is invested in securities. We accumulate the highest possible interest — generally government securities — and it is related to the

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period of time when the loan is due. So you have the money when the loan becomes due.

Item 1 agreed.

**FINANCE
VOTE 57**

Item 1 agreed.

Finance - Vote 55, Vote 56, Vote 57 agreed.

**FINANCE
VOTE 72**

Item 1 agreed.

Finance - Vote 72 agreed.

**FINANCE
VOTE 42**

Item 1 agreed.

Finance - Vote 42 agreed.

**SASKATCHEWAN MUNICIPAL FINANCING CORPORATION
VOTE 51**

Item 1 agreed.

Saskatchewan Municipal Financing Corporation Vote 51 agreed.

Supplementaries — Finance — Vote 11 agreed.

**PUBLIC SERVICE COMMISSION
VOTE 33**

ITEM 1

HON. W.E. SMISHEK (Minister of Finance): — Mr. Chairman, next to me is Ray Purdie, the chairman of the Public Service Commission. Behind me is Nola Seymour, the director of staffing and Ernie Bereti, director of administration.

MR. THATCHER: — Mr. Minister, I have only one question and I'm asking it for another member. I will take it written. First off, I understand it is possible for some public servants to take a leave of absence to further their education and while they are doing so they receive some form of assistance from the provincial government, whether it be in the form of salary, percentage of salary or some assistance for tuition. Am I correct in that assumption? Could you just briefly explain what is available in this area?

MR. SMISHEK: — The answer is yes. The program is fairly broad. We have had on education leave this past year 179 people. It ranges from a few days leave, to take a short-term course, to a leave of up to a year.

MR. THATCHER: — To save some time and hopefully maybe wind you up by 5 p.m., could I ask for a list and a breakdown of those 179 people. If we could have it before the session is over, if I could request that from your deputy. We would like to know how they

are gone, what percentage of their salary, whether it's entire . . . We would like a complete breakdown on it, preferably before the end of the session if I could make that proviso.

MR. SMISHEK: — Mr. Chairman, I have one little concern and that is, providing the names. We don't make it a habit of providing names. I'll be glad to provide the information but there is always the question of how names are used. I'll be glad to provide all the information of the 179. Would it be satisfactory to list the positions or adopt some similar form? But if the member insists, yes we can provide it. We have the names but traditionally we have not been supplying lists of names to anyone for fear that somebody might . . . to insure names are not bandied about. I will be glad to discuss with the hon. member all the detailed information that he would like to have.

MR. THATCHER: — Mr. Minister, as a compromise, could you give us the department and the position? I can assure you there is . . . O.K. that will do it then.

MR. KATZMAN: — I would add to the member for Thunder Creek's category, when you go into position, I assume is what you are referring to?

MR. SMISHEK: — Yes.

MR. KATZMAN: — If the minister can supply, as quickly as possible, also, on item 1 to 7 the top three salaries in each of those areas and as I asked for before, the estimated 1978-79, the actual 1978-79 and the estimated 1979-80? If you could supply that also, please?

Item 1 agreed.

Item 2 agreed.

ITEM 3

MR. KATZMAN: — Mr. Minister, I think I asked the same question last year and I will probably ask it every year from now on as well. I am concerned with the job evaluation study that Public Service Commission has started and involved with and where it is proceeding.

MR. SMISHEK: — Is the hon. member referring to our classification plan rather than job evaluation per se? Yes, you know it is an ongoing process. Any employee has the right and the freedom to, at any time, ask for a review of his classification as to his rate. That is an ongoing process which has been going on for some time.

MR. KATZMAN: — Just one other question. Could you send me the list, for example, if I was an employee and I wanted to go for reclassification, the steps and so forth? The procedure.

MR. SMISHEK: — Yes.

Item 3 agreed.

Items 4, 5, 6 and 7 agreed.

Public Service Commission — Vote 33 agreed.

**PROVINCIAL AUDITOR
VOTE 28**

HON. W.E. SMISHEK (Minister of Finance): — Next to me is Mr. Lutz, the Provincial Auditor. The deputy auditors are Mr. Wendell, Mr. Meldrum and Mr. Button.

MR. R. ANDREW (Kindersley): — Mr. Minister, one of the few remaining jurisdictions in Canada that does not allow the provincial auditor to look into the question of value for dollars spent is the province of Saskatchewan. Is there any chance that your department could look at bringing Saskatchewan in line with the other jurisdictions in Canada and allow the auditor to look into value for dollars spent?

MR. SMISHEK: — Well, it is a policy decision. Mr. Chairman, presumably the Committee on Public Accounts . . .

MR. CHAIRMAN: — Order! If some of these small meetings would just cease, we could get along much quicker here.

MR. SMISHEK: — Mr. Chairman, presumably the Committee on Public Accounts will be making those kinds of observations in its report. It is a policy decision. Certainly, I would be prepared to consider it and I'm sure that our government would be prepared to consider it. At this stage I am not prepared to make a commitment on behalf of the government, but it's certainly a question we would be prepared to consider.

MR. ANDREW: — You're indicating that if the public accounts committee were to recommend that, you would give some serious consideration to allowing that type of change in the legislation?

MR. SMISHEK: — The public accounts committee is free to make its recommendations. The recommendations of the public accounts committee come before the legislature and are then debated. Now in the report the committee will be submitting . I, for one, don't know what is intended by value of dollars spent, how comprehensive and how copious . . . Certainly one would have to look at the cost implications involved, but certainly it's an open question and I would be prepared to examine it.

MR. ANDREW: — As you are aware, Mr. Minister, there was a special committee in the last legislature looking into the same problem with regard to updating the whole committee on public accounts. Would you have any idea as to the increased costs involved in allowing the provincial auditor's department to look into questions of value for dollar spent?

MR. SMISHEK: — The hon. member is referring to the intersessional committee which was established last year, I presume. The committee died because of the election being called and the work of the committee was never completed.

I'm not in a position to answer the hon. member on what the cost implications are. I'm not sure. I'm not able to give him an answer about whether any work has been done on it but I will give him the undertaking that I will examine . . . from the support staff that was available. A controller was attached to the committee and we in the Department of Finance were looking at some of the things that the committee was examining. If there's any work that has been done regarding the cost implications, I'd be glad to discuss it with the hon. member and give him the information.

Item 1 agreed.

Provincial Auditor Vote 28 agreed.

Provincial Auditor, Supplementary, Vote 28 agreed.

Supplementaries agreed.

The committee reported progress.

COMMITTEE OF THE WHOLE

The Assembly recessed from 5 until 7 p.m.