

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN  
April 28, 1980

EVENING SESSION  
COMMITTEE OF FINANCE — FINANCE  
VOTE 11

**Item 1 (continued)**

**MR. G.S. MUIRHEAD (Arm River):** — Mr. Chairman, I have three or four questions to ask the minister. It won't take very long if he will answer them instead of beating around the bush like he did the last two times we have been together here.

Will you admit, Mr. Minister, what is written in last year's budget, that the last minister could not balance the budget? It had to be a deficit budget because there would have been less money for municipalities, schools and hospitals and would have meant higher taxes for our senior citizens and higher costs for farmers. Will you admit this, Mr. Minister?

**HON. E.L. TCHORZEWSKI (Minister of Finance):** — Mr. Chairman, certainly there is always an option available in any budget to reduce services or increase funding or provide a deficit. The government, inputting together the budget, made some judgements as to where there was a particular need to provide major injections of money. That was certainly done in the area of health. We have paid a great deal of attention to municipalities over the last number of years as we do this year.

Just to inform the member, in the 1970s we increased operating grants to municipalities by over 400 per cent. In addition, we sought to provide a major source of revenue linked to economic growth for our municipalities and therefore we introduced revenue sharing.

Since the program was introduced, operating grants to urban and rural municipalities have more than doubled from \$41.3 million in 1977 to almost \$83 million in 1980. I think this is a pretty impressive commitment to municipalities when you see that kind of an increase of funding.

You cannot take (especially with revenue sharing) one particular budget year in isolation without considering the steps which have been taken over a period of time to meet the needs of municipalities from the point of view of funding as well as providing funding in a different form in an unconditional revenue sharing basis. We established this in consultation and discussion with municipalities; we implemented it and brought it to its final conclusion with the establishment of the escalator.

**MR. MUIRHEAD:** — Well, Mr. Minister, I just asked a simple (this is what is going to take the time) yes or no question about last year's budget. And you didn't answer it; you took it right into this year's budget. Will you admit then that the reason we have a balanced budget will be the reason why these municipalities, hospitals and schools are short of money now? Because they have all been cut. It is a simple as that; they have been cut.

Our Craik municipality was cut \$26,000 and you just kept giving us a figure that they had been raised. But they haven't. He can come and explain to our municipality (there are 11 municipalities in my constituency) why they have to raise their mills so they can balance their budget. Who is right, you or them? Something is wrong. In our

municipality, we have to go from 68 mills to 84 mills or else we have to shut our machinery down.

We argued about it the other day being a deterrent fee on medicare. You don't call it a deterrent fee, Mr. Minister, when hospitals have to put mills on to cover their budget. It is a deterrent fee and you won't admit it. Well, I want an answer, a straightforward answer. Please don't beat around the bush or we will be here all night. I want to go home right now.

**MR. TCHORZEWSKI:** — Mr. Chairman, in response to the member's question about whether municipality funding has been cut, the simple answer is no. It has not been cut. As a result of the kinds of increases we provided in funding, the average mill rate increase for urban municipalities in 1968 was only 1.6 mills; in 1978 and 1979 only 1.3 mills.

**MR. MUIRHEAD:** — Well, you'll have to write a letter personally and sign it yourself to my 11 municipalities to prove it to them. Put it in writing for them. Will you do that? Because they don't believe you. I can tell you the secretary-treasurer from our R.M. came right in here the day they got the letter from revenue sharing and said we'd been cut \$26,000. Now, who's right — you or our municipal secretaries who get these letters from the revenue sharing? Now, do we have to leave this until we get it rural affairs? Because once we get to him, he can't do anything about the bucks. You're the man to do something about the bucks. Are you going to do anything about it or not?

**MR. TCHORZEWSKI:** — Mr. Chairman, I'm sure some municipalities have some concerns about which they will have been in communication with the minister and the Department of Municipal Affairs, which is the appropriate jurisdiction and appropriate department for liaisons with our municipalities be they rural or urban. Therefore, it will depend on which department they contact accordingly.

The budget which has been established and announced and presented to this legislature, Mr. Chairman, is clear. It outlines what has happened over a number of years as we tried to achieve a certain objective in providing substantial new moneys to municipalities, which we did, and the member opposite will not argue that. It establishes this year a funding which has been increased according to the revenue sharing escalator, which has been agreed to by the Departments of Municipal Affairs, Rural and Urban and by the various municipal associations.

**MR. MUIRHEAD:** — Well, we're not going to get any place because I don't know what you just said. I don't know. And it can't be proven to me because figures are figures. They've been cut, and if 11 municipalities in Arm River have been cut back, what about the whole of Saskatchewan? You can't tell me in the 44 seats sitting over there that you don't have the same complaint. You have to.

I'll drop it then because we're not getting any place and we'll have to see if we can't soften the Minister of Municipal Affairs (Rural) and go after him. We can't get any place with you. You just won't admit it.

Will you give me an answer on this one? Do you admit that our farmers, construction businesses, and small businesses are in trouble in this province?

**MR. TCHORZEWSKI:** — Mr. Chairman, certainly there are problems in sectors in our economy, in particular the construction industry because of the slow down in housing

construction, but this is happening not only in Saskatchewan, but throughout Canada and North America. There are interest rate pressures on our farmers and small businessmen as a result of, what I have said and continue to say is wrong, federal government policy on high interest rates, which track the high interest rate policy of the United States. We don't agree with that. We have urged the federal government to change its position on this, both the former Conservative government and the present Liberal government in Ottawa. They have chosen not to follow our advice.

I'm rather pleased to see that the Hon. Eugene Whelan, the Minister of Agriculture, was indicating last Thursday he hopes to propose through the federal cabinet next week (I suspect he means this week) some steps to provide some relief to farmers. Obviously, he has been listening to our Minister of Agriculture who, on behalf of this government, has been pressing in no uncertain terms and very convincingly the need for the federal government to take certain kinds of actions. We will continue to do that.

**MR. MUIRHEAD:** — I have one more question. What are you going to do about this situation? We have a situation in this province where people are suffering. Never mind away from this province; it's right here. I have people coming to me in my constituency who are absolutely beat and what are they going to do for finances? They are going to lose some of their land. They are going to lose their small businesses. We have them going broke day after day. We have a man in Davidson who is going broke and has been in business for 30-some years. He's going broke. They say, we have no choice. We have to sell a quarter section to the land bank or we're done. This is happening all over Saskatchewan. Is there something you're going to do about it? Hospitals can't balance their budgets; municipalities can't balance their budgets; school can't balance their budgets. They have to go and put more taxes on our schools. In every place in this province the school tax has been raised. The mills have been raised. I just want one final answer from you. What are you going to do about it?

We've been here last Friday, the week before, and today and all you've done is the same thing. You just skirted around. Finally, for the first time you admit there is a little problem in the municipalities. You know it's there. You people know, as sure as I'm standing here, why this budget got balanced. It got balanced on the backs of the municipalities, the senior citizens' homes, the hospitals and the schools. You know it and won't admit it. Now, I want to know what you're going to do about it? I want a direct answer about what can be done, what you're going to do, or we're going to sit here all night.

**MR. TCHORZEWSKI:** — Mr. Chairman, the member raises hospitals. I don't know how he concludes there has not been a very major increase of funding to our hospital systems of almost 14 per cent. That is more, I might say, than is happening in most other provinces in Canada that I am aware of. We have in place now, in the various departments of our government, programs to provide assistance to a wide sector of our population. We have a FarmStart program which this year has been substantially increased and has been of great benefit to our agricultural community. In fact, I heard a resort this evening on the news that the demand for services from FarmStart is very substantially increasing. I'm pleased to hear that because that's what the program is for. It's there. It provides money to our farmers at substantially reduced interest rates.

We have this year, again, the farm cost reduction program which provides for our farmers \$15.6 million in return from the provincial treasury to assist them. We introduced last year, which will pay out this year, the mortgage interest tax credit which

will pay, when people fill out their income tax, \$18 million to Saskatchewan citizens. This is a very substantial contribution to meet the increasing costs they're having. As well, we have in the Department of Industry the small business interest abatement program which is of considerable assistance to many of our small businesses across Saskatchewan.

**MR. MUIRHEAD:** — Mr. Minister, I will admit what you said is correct. Whatever it is, whatever figure you gave, is not enough or there wouldn't be all these squabbling people. If there's a 14 per cent increase here and more here and something there, tell me why. Why does Outlook hospital have to put seven mills on to balance their budget?

**AN HON. MEMBER:** — Raise money.

**MR. MUIRHEAD:** — Deterrent fees. There's the Minister of Highways. I want him recorded. He said, raise money. There's a deterrent fee. Put the Minister of Highways on the record right now saying, go raise money. There's your deterrent fee, right there.

Now I want to ask the Minister of Finance one more question. Are you putting deterrent fees on medicare by telling the people they have to put their taxes up to cover their hospital bills?

**MR. TCHORZEWSKI:** — No, Mr. Chairman.

**MR. MUIRHEAD:** — Why? It's a simple question. Why is it? What do you call deterrent fees? Free medicare is free medicare, isn't it? If it was free, they wouldn't have to do it. The Minister of Health knows I brought a group from Outlook in here last year arguing over their bed census, so they raised it one. We thanked them so much. What did they do? They cut the staff by one nurse and offset the same amount. We didn't gain a thing in three years of arguing. That's deterrent fees. You people are too ridiculously . . . Well, I can't use the words or I'll probably get heaved out of here. I'll tell you it's ridiculous that you won't admit there's deterrent fees on our medicare in this province. I haven't got another word to say to you, because you can't get answers from you. I'm through.

**MR. P. ROUSSEAU (Regina South):** — Mr. Minister, the member for Arm River just asked about the rural affairs revenue sharing plan. Would the minister provide us with a list of all the rural municipalities which received decreases and those — well, a list of all funding to these rural municipalities in the province along with a comparative list from last year.

**MR. CHAIRMAN:** — Order, please. I don't think this is this minister's responsibility. I think you can ask in general terms, but specific items, no.

**MR. TCHORZEWSKI:** — Mr. Chairman, just to help the member . . . I agree with your ruling and I am glad you made it, because I was going to ask about that. I can certainly indicate in general terms to the member that the funding for rural revenue sharing has increased from \$32 million in 1979-80 to \$34,483,200 in 1981, which is an increase that is in line with the revenue sharing escalator which was put in place this year. I might add it was an increase which the president of the Saskatchewan Association of Rural municipalities indicated was really in line with what they were expecting.

**MR. ROUSSEAU:** — For the minister's information, I can read. I saw that in there. What I asked you for was a list; however, I will abide by the Chairman's ruling that I will get the

list from the Minister of Municipal Affairs (Rural). It is obvious that, if as the member for Arm River indicated, some of his municipalities have dropped by some \$20,000 then surely there must have been some which have increased, to show an increase like you are showing in the estimates of rural affairs.

I would like to ask a question not relevant to finance, Mr. Chairman, and it is, Mr. Minister, are you bringing in your other estimates right after this? The reason I am asking is, if you are I will wait for these questions from here — the public service commission.

**MR. TCHORZEWSKI:** — I think, Mr. Chairman, that was normally the practice; the minister brings in all his departments. I think the request was made to the members opposite, if that would be okay, if they are willing to do that, fine; if they want to wait and do the Department of Co-ops, that is okay with me; but I leave it to the member opposite to indicate which he wishes.

**MR. ROUSSEAU:** — That is fine, if we will do it right after finance.

**MR. L.W. BIRKBECK (Moosomin):** — May I ask a question of the Minister of Finance? Mr. Minister, I would hope that I am in order with this particular question. If I am not, I am sure you will make the correction.

What amount of money have you allotted for the purchase of executive jets for government use in any department? Have you budgeted any money whatsoever?

**MR. TCHORZEWSKI:** — That is something, Mr. Chairman, the member would best ask the Department of Revenue, Supply and Services, or government services. The Department of Revenue, Supply and Services is where those details would be available. I am not familiar with the specifics of various departments. I am not aware of any money set aside for the purchase of aircraft, and I have to leave it at that.

**MR. BIRKBECK:** — Would it be revenue or would it be government services?

**MR. TCHORZEWSKI:** — Sorry, I wasn't clear. It is the Department of Revenue, Supply and Services.

**MR. BIRKBECK:** — O.K., thank you. Now, the second question is, of course, related. If one were to have an executive jet, of course one would have to have a landing strip. Are there any funds allotted by your offices to any department for the construction of an airstrip?

**MR. TCHORZEWSKI:** — None that I am aware of, Mr. Chairman, but if there were specific questions related to the building and the maintenance of airstrips it would be best directed to the Department of Highways.

**MR. BIRKBECK:** — That's all I need. Thanks.

**MR. ROUSSEAU:** — One final comment that I'd like to make with reference to the Department of Finance, Mr. Chairman, and then we will move on to another department. Mr. Minister, I intended to comment on this at the beginning of the estimates and it slipped my mind but I'll do it now. Very simply, this budget speech is a piece of propaganda that you print once a year. I have some suggestions for you because all you have in here is fairly well rhetoric, propaganda, a little bragging,

boasting and so on. We used to get a little more information than you're supplying now. For example, there was a time, Mr. Minister, when the estimated budgetary cash outflows pie would show 11 or 13 (I think it was 13 if I go back about four years or three years) different pieces of that pie. In other words, 13 areas were shown in which you were spending money; now, we get five. It's very difficult to understand what you're doing, very difficult to know. For example, your interest isn't shown on here. Grants to local authorities and other third parties and payments to or on behalf of individuals — frankly, it's a bit ridiculous. Let's go back to the system you had prior to (I think it was) two years ago when you changed it to this. I will comment on one thing which I'm pleased to see and that is the estimated composition of assets; continue with that. It's the first time you've shown that breakdown; it's in the heritage fund. However, a little truth in that might help a little bit.

Maybe just go back over your budget speeches from two or three years ago and just improve a little bit. Give us a little bit less of the bragging and boasting that you have in there and a little more facts and information. Mr. Chairman, number one is agreed.

**AN HON. MEMBER:** — I think the minister wanted to comment.

**MR. TCHORZEWSKI:** — No, not in any major sense. Certainly we try to provide as much information as we can. In many ways, there's more information provided in the budget now than there used to be in the past. There used to be a breakdown in charts on those pies department by department. We'd break it down according to categories because the estimates provide breakdowns department by department. We'd break it down according to categories because the estimates provide breakdowns department by department. It's not a big point but any suggestions that the member might have by which we might be able to improve the information, I'd be most pleased to get. We'll look at it and see whether it's appropriate and whether it can make the budget speech even a better document than it has been in the past.

**MR. ROUSSEAU:** — Mr. Chairman, just one final comment and I would also refer you to the chart on page 49. How about updating that one a little bit? You're so far behind on that one that those figures no longer apply and that information on that page. Mr. Minister, is really false information. I agree you clarify it at the bottom and you indicate that some of that information dates back to 1974 but it's not everyone who reads every word. So let's get updated on it and get some information in there that means something in some of those charts.

Item 1 agreed.

## **Item 2**

**MR. ROUSSEAU:** — A question on that particular subvote. Counselling for the investment (for example we asked a question in question period today of SGI investments), is that the department which handles that?

**MR. TCHORZEWSKI:** — Yes it is, Mr. Chairman. And just on the side, can I make a suggestion for both sides of the House? Mr. Chairman, rather than going through item by item can we just do the summary? Is that O.K. with the member opposite? Of the final figure under each subvote by . .

**MR. ROUSSEAU:** — Yes, I agree.

**MR. CHAIRMAN:** — Is that agreed then if we proceed in that manner?

**MR. ROUSSEAU:** — Yes, I agree. Well, then could the minister provide me with a reasonably detailed account of that \$302,380 in other expenses? Give me a breakdown of what those expenses are please. You can send it to me. There is no hurry. I don't need it now.

**MR. TCHORZEWSKI:** — Yes, indeed we can, Mr. Chairman. It's quite handy. As soon as we get it put together we'll get it over.

Item 2 agreed.

### Item 3

**MR. R.A. LARTER (Estevan):** — Mr. Chairman, Mr. Minister, I would like to ask you how many people would you have under other personal services; in other words, temporary help? How many would you have as temporary help who have been with your department longer than one year that are listed under other personal services?

**MR. TCHORZEWSKI:** — You were under the subvote no. 3 comptroller's office. I am informed there is none longer than a year.

**MR. LARTER:** — Mr. Minister, I'm not only asking it on that vote. I don't want to ask it on every vote. I want to know how many temporary help or help that's listed as temporary you have in the Department of Finance? We have run across this every year with every department. They have people hidden who are temporary help. Some of them have been on longer than three years. I know that these people resent being employed this way. I want to know how many people you are sheltering this way?

**MR. TCHORZEWSKI:** — Well, Mr. Chairman, the answer to the member's question is that there aren't any because the public service commission regulations. The Public Service Commission Act and the agreement with the Saskatchewan Government Employees' Association have within them certain criteria which define the length of employment that can be maintained in a temporary or a casual category. As far as my staff is able to indicate in the Department of Finance, there are no people who are employed beyond those regulations and those agreements.

**MR. LARTER:** — Mr. Minister, can you tell us when these rules were changed?

**MR. TCHORZEWSKI:** — The people in this department won't know when all the regulations change. We'd better deal with that under the public service commission. But to our knowledge there has not been a recent change to the regulations that we are aware of. In order to be more precise in answering the member I would suggest he wait until the public service commission estimates are here whether they are on Wednesday, later today or on Thursday. I will be able to provide him an answer more intelligently than I can now.

**MR. ROUSSEAU:** — Mr. Chairman, I wonder if the minister would provide me with a detailed accounting of that expenditure as well as the other expenses in the subvote.

**MR. TCHORZEWSKI:** — What subvote?

**MR. ROUSSEAU:** — Subvote 3, a detailed accounting of both the personal services and other expenses.

**MR. TCHORZEWSKI:** — I can read it to you. Do you want me to do that or just send it over to you? O.K., we'll send it over. May I make a suggestion which may help the member opposite? If he wants a breakdown for all the subvotes where it may be relevant, we'll put them all together and get them to you. That is the breakdown of all the other expenses, all right?

**MR. ROUSSEAU:** — Just one question. How detailed is the breakdown you're going to offer, for example on subvote 3?

**MR. TCHORZEWSKI:** — We have the breakdown for subvote 2, investment and financial services branch. I will send it over so the member will be able to get an indication of how detailed the breakdown is.

**MR. ROUSSEAU:** — Mr. Chairman, if we could just delay for a couple of minutes, I want to have a look at the document the minister is sending over. Mr. Minister, will you be providing the same kind of information on subvote 3?

**MR. TCHORZEWSKI:** — Indeed, I can do it for subvote 3. We'll do it for whichever subvotes you might want.

**MR. ROUSSEAU:** — Mr. Chairman, if I may have subvote 3, other personal services, that is the one I would like to have a fast look at if I could have a copy of it right away.

**MR. ROUSSEAU:** — Mr. Chairman, we'll carry on provided I can come back to this one if there is something I am not happy with in it.

**MR. CHAIRMAN:** — Agreed to return to subvote 3 then.

Item 4 agreed.

#### **Item 5**

**MR. ROUSSEAU:** — Did you say you were going to send the breakdown for all the subvotes?

**MR. TCHORZEWSKI:** — We can send over whichever ones you want. Do you want that one?

**MR. ROUSSEAU:** — Please.

Item 5 agreed.

Items 6 and 7 agreed.

#### **Item 8**

**MR. ROUSSEAU:** — Mr. Chairman, that amount of \$10,000 annoys me more than anything else. I don't think in a budget you should have an amount shown as

unforeseen or unprovided for. That really rankles and annoys me to no end. I don't know why you have it there. I would like to see it removed.

**MR. TCHORZEWSKI:** — I am told that essentially all that is is dormant court moneys. The provision, apparently, must be there for use. I know it is not a significant amount of money, but apparently the people, who work with it and work with the legislation and the likes of that, feel it is a requirement which we must maintain. Certainly, as one who agrees as much with efficiency as the member opposite when it comes to trying to read long documents, if it were possible to do away with it I would be one of the first to look at that, but I am told that at least for as far as we are able to know we should keep it in place.

**MR. ROUSSEAU:** — Mr. Chairman, one final question. I notice you have dropped it by \$2,000 this year. What were your actual expenses on that item last year?

**MR. TCHORZEWSKI:** — In 1978-79, which are the latest figures available, because the books for 1979-80 are not complete, the actual expenditures were \$2,862.

**MR. ROUSSEAU:** — The minister has made my point. If you are only going to spend \$2,800 why did you have \$12,000 there last year and \$10,000 this Year? Frankly, that kind of budgeting is not very professional.

**MR. TCHORZEWSKI:** — Mr. Chairman, what can I say? It is as accurate as can be. It is necessary to have the provision in place. In 1978-79 the expenditure was \$2,862; in 1974-75 it was \$10,866. It is not something you can, with precision, estimate or project, so we try, in the department, to put in a figure which seems appropriate but which may fluctuate. In 1978-79 it was as I said; in 1979-80 it may be different. We do not know ahead of time, because of the nature of the expenditure which it is.

**MR. ROUSSEAU:** — My colleague just whispered to me, and he makes a very good point: a good example of what zero-based budgeting could do for you is under that item.

Item 8 agreed.

Item 9 agreed.

### **Item 10**

**MR. ROUSSEAU:** — Mr. Chairman, very quickly and very briefly, if you can, Mr. Minister, what is that?

**MR. TCHORZEWSKI:** — Mr. Chairman, the provision is there because of various tax remissions that are provided sometimes. The figure is determined on the basis of the kinds of expenditures necessary in the previous year. Then it is pretty well what is allocated in the following year. They were remissions. Remissions for newlyweds are an example of the kinds of remissions that are provided. E&H tax is . .

**MR. ROUSSEAU:** — Why newlyweds? What's . .

**MR. TCHORZEWSKI:** — The member opposite and I got married too early in time. There was a program that used to exist for \$50 remission to newlyweds. The program no longer exists, but it's an example of the kinds of remissions that from time to time are

made.

Item 10 agreed.

### **Item 11**

**MR. ROUSSEAU:** — Mr. Chairman, two questions. Who are you bonding? Is it every official of the government or just your department? Secondly, who is the carrier for this bond?

**MR. TCHORZEWSKI:** — Mr. Chairman, all government employees are bonded. They're bonded with a basic amount of \$20,000 coverage per position. In some cases (I guess that would depend on the nature of the job) that amount will be greater. I'm told it's a requirement under The Public Officials Act. The bonding agency is SGI.

**MR. ROUSSEAU:** — That leads me to two more questions. You say all public employees. Why do you have officials on your subvote? Secondly, have you shopped for insurance other than with SGI? And why is SGI charging you another \$1,000 for the same coverage this year?

**MR. TCHORZEWSKI:** — Nothing unusual about the word 'official.' That's public employee. That's straightforward. It follows the wording of The Public Officials Act. On the question of whether there has been shopping, the answer is no, there has not been. SGI has been used for a long time. It's been providing an excellent service and we're quite satisfied with what is done through that means.

**MR. ROUSSEAU:** — What is your experience on claims on that bond? Is the premium \$12,000 or \$13,000, or is that a ball park figure that you are using? What is the exact premium being charged by SGI?

**MR. TCHORZEWSKI:** — The increase, Mr. Chairman, I am informed, is as a result of adding some special coverage to the situation beyond what existed last year. It's based on the number of employees at the basic coverage of 0.003 cents per \$100. The additional coverage costs 5 cents per \$100.

**MR. ROUSSEAU:** — You didn't answer the other part of my question. I'll add another one to it now and that is, what was the additional coverage? The first part of my question I think you forgot. It was, how was the experience?

**MR. TCHORZEWSKI:** — I may have forgotten the other question, but on the one of the experience my officials tell me they can't tell you precisely because they don't have it with them here. We can get it for you. We can certainly without any hesitation assure the member the premium has been beyond what the cost or the payout has had to be as far as they can recall.

**MR. ROUSSEAU:** — That being the case, you should be getting a reduction in your premiums. Maybe it's time you should start shopping around for a better rate. The other part of my question was, what's the 5 cents per \$100 you're referring to additional coverage. What is that additional coverage?

**MR. TCHORZEWSKI:** — First of all, we have had reductions for the information of the member's opposite. We've had reductions in the premium. The increase in what you see here is as a result of increased coverage we have provided in certain cases. It is thought in some particular jobs, as people who deal with and issue bonds and the likes of that,

that the coverage needs to be greater than the basic coverage provided. As a result of that, because of this increased coverage in certain job positions, you see an increase indicated in the subvote.

**MR. ROUSSEAU:** — First of all, I asked you how much the premium was. Is that the premium, \$13,000? Is it? It's exactly \$13,000. Would the minister table the policy SGI provides?

**MR. TCHORZEWSKI:** — First of all, let me make sure my answer on that rate is clear. It is estimated at \$13,000. That's what the figure is here for the premiums. I don't think it's been the practice to table the policies or agreements. I can take that under advisement to see whether I am wrong in that. As far as I know that has not been the normal policy.

**MR. R.A. LARTER (Estevan):** — Mr. Chairman, a question to the minister. Mr. Minister, you have your officials with you tonight, the officials who make judgments on your borrowings. I would like to know whose decision it is, your officials or a political decision, on not approaching the Government of Alberta, through their heritage fund, to borrow money. I would like to know, is it the officials or you?

**MR. TCHORZEWSKI:** — Mr. Chairman, it's simply a government decision. We are able to arrange our financing on as good terms in other Canadian markets and outside, if necessary, as we can get in Alberta. We have not seen the need to go to Alberta. The Alberta Heritage Fund provides money to provinces at the best provincial rates. It has lent money at that rate. We happen to have the best provincial rate. We could not, therefore, get a better deal borrowing from the Alberta Heritage Fund than we could elsewhere.

**MR. LARTER:** — Mr. Minister, I don't really know where the newspaper picked up the article in which they mentioned that if they were to borrow money from the heritage fund in Alberta, something like \$590 million (your 1980 borrowings) they would only save \$8 million or \$9 million. Is that attributed to your department in any way?

**MR. TCHORZEWSKI:** — I didn't get the full question, and I was waiting for it to be indicated to me. I don't know where that newspaper source came from. I am not familiar with it having come from my officials. I can't speak for a newspaper article and I don't intend to pretend to.

**MR. ROUSSEAU:** — Mr. Chairman, I would like to ask the minister if he agrees with that figure of \$9 million as a saving on the \$590 million, based on the interest rate and everything else, and if he doesn't agree with it, why not?

**MR. TCHORZEWSKI:** — Mr. Chairman, first of all, no, I do not agree with that statement. Second, I provided information, (which I don't have here because I sent it over to the member for Thunder Creek a day or two days after he asked the same questions) which indicated the rates we were getting were better than even the province of Ontario for 1979. So, I think that in itself substantially indicates we could not get a better deal with Alberta.

**MR. ROUSSEAU:** — Mr. Minister, I think you should check the records. I think you will find you are contradicting yourself, that the rate is a little better. So therefore the \$9 million is an actual saving, and rather than debate or argue at this point, I suggest to you that you check the records when the question was asked before in this House.

I want to go back to my line of questioning. You said you will take under advisement whether or not you should table the document. I ask you, are you not the minister and is it not your responsibility? Do you not make the decisions? Whom will you be seeking advice from? You are losing me when you say you'll take it under advisement. I understood that a minister ran his own department, that no one else did it for you.

**MR. TCHORZEWSKI:** — Mr. Chairman, it is just as in the case of an individual We have agreements with individuals or with companies and SGI is a Crown corporation is not appropriate for the government to table those kinds of agreements for the same reasons you would not in any other department. So I am saying to the member, that is the way I view it, and I think that is the correct view to take. Certainly, I will give it consideration beyond that to see whether or not I am correct, but until I change my mind after reviewing it. I will maintain that position.

**MR. ROUSSEAU:** — Well, maybe I could inform the minister how insurance is bought and how it works. Obviously, the government or the Crown corporation lack experience in knowing how to shop for insurance policies, whether they be group life or general insurance or bonding or bonds or whatever. It is common practice in that field, Mr. Minister, for any insurance company, if it is going to provide a bid (a quote) on an insurance policy, to get from the insured the policy that was in place at the time he's submitting his proposal. It is also common practice for any insurer to supply all information to all insurance companies so they are bidding and quoting on an exactly identical type of insurance. So your idea, your comment, your excuse that you're using that it's a document that should be kept from the eyes of competition (that's not the word you used but it's the meaning you used) is nonsense. This is common practice in any kind of insurance purchasing by any insurer. The insurance companies work on that basis. The only way they can quote is by knowing exactly the kind of coverage they're quoting on.

I'd like you to reconsider your answer and ask you again to table that document. There's no reason why that should be confidential information.

**MR. TCHORZEWSKI:** — Mr. Chairman, I've made my point. I've given the member, the critic finance, my answer and it stands.

**MR. ROUSSEAU:** — Mr. Chairman, I'd like to just say to the minister you may have made your point but you didn't hear mine.

Item 11 agreed.

## **Item 12**

**MR. ROUSSEAU:** — Mr. Chairman, I'd like the minister to supply me, along with the other documents that you're going to send over, a list of what you anticipate those refunds to be and perhaps a list of what they were in the last year you have. In fact, I'd like it for '79-'80. You'll have it. You won't have it tonight but you can send it to me at your convenience.

**MR. TCHORZEWSKI:** — No problem. My officials will be putting it together and giving us a copy. Maybe I can even get it to you yet this evening.

**MR. ROUSSEAU:** — Wait. You say you can get it to me this evening. I asked you a

question a little while ago on the '79-'80. You said you couldn't provide that information.

**MR. TCHORZEWSKI:** — Sorry. When the books are closed on '79-'80, we'll be able to get it to you.

Item 12 agreed.

Items 13 and 14 agreed.

### **Item 15**

**MR. CHAIRMAN:** — I want to draw to members' attention that this is not a vote to be agreed on. This is statutory. If there are any questions, you are at liberty to ask the questions on it.

**MR. ROUSSEAU:** — Mr. Chairman, the only question I have on it is why is it the same amount as last year? With everything else going up, why is this one standing?

**MR. TCHORZEWSKI:** — I'm told it's only for the existing people who are now and presently in the plan. The major portion of . .

**AN HON. MEMBER:** — Is that the old plan?

**MR. TCHORZEWSKI:** — Sorry, Mr. Chairman, I was off on something else. But on subvote 15, the actual expenditures, I am told, are not expected for 1979-80 to reach the \$4.2 million which was there. There was an overestimate. Therefore, it is thought that for 1980-81 the expenditure as indicated will be sufficient.

**MR. ROUSSEAU:** — Do you have any indication at all of what you expect it to be for 1979-80?

**MR. TCHORZEWSKI:** — I don't know precisely but it will probably be less than \$4 million.

**MR. ROUSSEAU:** — Mr. Chairman, just to go back to these detailed accounts sent over to me, I am not sure whether you just are not finished sending them, but the one I asked for, the other personal services under item 3 (you gave me other expenses under item 5 and item 3 but not the other personal services) . . I do have a question on one here, but I will wait until I hear from you on the other question.

**MR. TCHORZEWSKI:** — Mr. Chairman, we can provide information under other personal services broken down according to person-months . . (inaudible interjection) . . Sorry?

**MR. ROUSSEAU:** — I thought you said mutts. I couldn't figure out what was mutts.

**MR. TCHORZEWSKI:** — No, person-months. The reason it is person-months is because we do not have, nor can you have, a precise number saying you are going to have X number of casuals, X number of temporaries because that will fluctuate and change throughout the year. So we certainly can get a breakdown for you on the number of person-months there and we will provide that. It will take a little longer to put together.

**MR. ROUSSEAU:** — One final question on that. Perhaps the minister would supply me with the history of the 1979-80 information of the list of the names, the amounts, the services and everything else on the actual at some future date.

**MR. TCHORZEWSKI:** — Mr. Chairman, we will undertake to provide to the member opposite a breakdown for the past year when it is completed. We have the breakdown of number of person-months, narrowing it down to numbers of casuals, for how many months, numbers of people in there and so on. We will get that to you; that will take some time. We can provide the kind of job it is. The names change constantly and continuously. I am not sure whether we can provide that for the member opposite. But all the other information (it will take a little while to put together because it is a fairly hefty chunk of work), we will work on and get it to the member. If the House is still sitting, I will hand it over to him. If not, I will see that he gets it mailed to him.

**MR. ROUSSEAU:** — In looking at the breakdown of the other expenses for the comptroller's office in subvote 3, I notice an item that says \$208,150 for office equipment rental. Now, that to me is an astronomical amount of money for equipment rental. Now are we talking computers? Exactly what have you got up there?

**MR. TCHORZEWSKI:** — Yes, that is exactly what it is; I am told it is rental of computer equipment. By far the largest substance of it is computer equipment. There will be some other moderate items such as word processing equipment; indeed, I am told, from time to time even some typewriters, but the biggest portion is computer equipment rental.

**MR. ROUSSEAU:** — Could you advise me as to whom you are renting it from? Perhaps another question on that is, have you again asked for proposals or quotations or tenders?

**MR. TCHORZEWSKI:** — All the rentals are from IBM.

**MR. ROUSSEAU:** — You didn't answer my question. Did you tender for it or call tenders on it?

**MR. TCHORZEWSKI:** — I am told, Mr. Chairman, that the equipment has been rented with IBM for something like 10 years. Looking around this group of people, I am not sure whether any of them were there at that time. They are a pretty young bunch of fellows. There, obviously, was a cost study analysis made at the time and it continues. The service has been good and we are satisfied with it.

**MR. ROUSSEAU:** — Well, if it is 10 years ago, how long is this contract for? Is there no termination clause on that contract? Is it a lifetime contract? Is it a rental purchase agreement that you have? Could you provide us, perhaps, with a few more details than what you have given us already?

**MR. TCHORZEWSKI:** — I guess I should have added that we first started renting the IBM equipment about 10 years ago. I am told they are renewed periodically. Depending on the equipment the nature of it, that renewal is done at different intervals; some will be three years, some will be five-year intervals. So that process of renewing and reassessing is an ongoing process.

**MR. ROUSSEAU:** — When you are renewing, are you getting new equipment or are you renewing on the old equipment? Is it being changed as you are renewing?

**MR. TCHORZEWSKI:** — Obviously, the equipment is being updated. Indeed, some equipment from time to time is updated as the need arises and as new equipment comes on the market.

**MR. ROUSSEAU:** — Just one final comment on it and we will move on. But you know you just said one minute ago that it has been 10 years since you have been under this contract and that is over \$2 million that you have spent on rental of equipment. First of all, you might have saved some money by buying it, but I don't know that and I would not want to accuse you of that yet. However, when you are spending that kind of money (the taxpayers' money) suggest, perhaps, it may be time for you to look around for some prices and call for tenders on some of these items. Just buying and buying without knowing is a little costly.

Item 15 agreed.

### **Item 16**

**MR. ROUSSEAU:** — I hear the perennial complaint from employers all over the province, that their compensation costs are going up. Yours are going down. Are you by any chance subsidizing your costs through some of the employers of this province or the businesses? Why are all the businesses pretty well finding an increase in this? . . . (inaudible interjection) . . . Well, it is true from the information I am getting. Yours are down. Now perhaps you could give me a little explanation on that.

**MR. TCHORZEWSKI:** — Mr. Chairman, there is a decrease in the rates because of an actual decrease in accidents in 1979, in a substantial way as is reflected in the workers' compensation board's employers assessment. This is the assessment the government has to pay, on behalf of its employees, to the workers' compensation board. Certainly, I think it's nothing other than a reason to commend our public servants and our managers for providing the kind of safety situation and guidance and so on which is reflected in a decrease in the assessment because of a substantial decrease in the accident rate in the public service.

Item 16 agreed.

### **Item 17**

**MR. ROUSSEAU:** — Same answer, I suppose, for why that is the same amount? Last year was less than what you're showing here?

**MR. TCHORZEWSKI:** — Mr. Chairman, the rate remains the same. The number of people who are covered under the plan remains the same. So, there is no need for a change in the amount of money.

Item 17 agreed.

### **Item 18**

**MR. TCHORZEWSKI:** — That subvote was previously in the public service commission. You would have seen it reflected there. It is now a transfer to the Department of Finance and so the subvote is there; no change otherwise.

Item 18 agreed.

**Item 19**

**MR. ROUSSEAU:** — The next one comes under 19? Shall I cover it now or do you want to . . . O.K. Where has that gone to?

**MR. TCHORZEWSKI:** — The minister in charge is Mr. Smishek; it comes in the Department of Urban Affairs.

**MR. LANE:** — Where is the cultural planning secretariat we read about/

**MR. TCHORZEWSKI:** — That's in the very capable hands of the Minister of Culture and Youth, and therefore is within the Department of Culture and Youth.

Item 19 agreed.

**Item 20**

**MR. ROUSSEAU:** — The \$700,000 for Taylor Field, was that the actual amount spent?

**MR. TCHORZEWSKI:** — The actual amount spent was \$958,000. This is sort of the final payment and it was in the form of a supplementary estimate. The total figure is \$958,000, for a good cause, I might add.

Item 20 agreed.

Item 21 agreed.

**Item 22**

**MR. ROUSSEAU:** — I am sure the minister is going to be able to tell me why the members of this legislature are so well looked after from that point of view. Could you explain that 400 per cent increase?

**MR. TCHORZEWSKI:** — Mr. Chairman, the member may have forgotten but the act was changed in the previous session of the legislature which required the Minister of Finance to pay \$350,000. It also provides for payments by the Minister of Finance to match contributions of members under The Members of the Legislative Assembly Superannuation Act.

**MR. ROUSSEAU:** — That will be continuous from now on? Is that what you are saying?

**MR. TCHORZEWSKI:** — It will continue until the amount of the fund comes up to a level where it is then a funded plan, which apparently it is not now. After that it may very well change, yes.

**MR. ROUSSEAU:** — Just a comment. The minister suggested I had forgotten what it was all about. Obviously you did too; you had to check with your officials to get the answer.

Item 22 agreed.

**Item 23**

**MR. ROUSSEAU:** — On payments made by the provincial disaster financial assistance program, did you spend the \$100,000 last year?

**MR. TCHORZEWSKI:** — Once again, I can't give the precise figure for '79-'80 because it's not all completed. I am told (we'll give you an estimate) we spent about \$160,000, which is just about or around \$60,000 more than was estimated. Once again, you can't predict the disasters that come about but that's the ball park figure we will be spending.

Item 23 agreed.

Item 24 agreed.

Finance Vote 11 agreed.

**FINANCE  
INTEREST ON PUBLIC DEBT — GOVERNMENT SHARE  
ORDINARY EXPENDITURE  
VOTE 12**

**Item 1**

**MR. ROUSSEAU:** — Since your predecessor has been wrong so many times in that estimate, maybe the minister would like to indicate whether or not you're going to be close this time or are you still going to be at half of what the actual is going to be?

**MR. TCHORZEWSKI:** — Mr. Chairman, that is an estimate we project will be an accurate estimate. Once again there are some undefinables that happen from time to time. We have under the circumstances that face us today, no way of knowing what will happen from the point of view of the federal government (and I'm trying to get into a critical argument here) with regard to interest rates. If that changes then the figure here may very well change but that is our estimate as best as we are able to make it at the present time.

**MR. ROUSSEAU:** — Either you are much, much wealthier than what you were a couple of years ago when you estimated (and I can't recall the estimate for 1979; I don't have it in front of me) I recall, around \$6 million, and you spent \$17 million. In 1978 you spent \$7.5 million and your estimate was \$2 million. Your interest rates are more than double what they were then — the prime rate. I'm at a loss to understand how you can arrive at a \$16 million estimate taking those other accounts into consideration with the interest rates where they are.

**MR. TCHORZEWSKI:** — Mr. Chairman, first of all, the changes that have taken place over time have happened for a number of reasons: (1) because of interest rates, and (2) because we have had to improve our cash position in order to operate the expenditures of the government on a monthly basis. As to the projection, we have an estimate of \$16,321 million. That may be low depending on what happens to the interest rates, whether they remain high or whether in fact they increase. I hope they do not. There seems to be a trend developing the other way around. It may very well be lower if circumstances change. We try to estimate as closely as well can, and then the experience throughout the year will, I guess, rule as to what happens to it eventually.

**MR. ROUSSEAU:** — Not a very good answer, Mr. Minister. Let me refresh you memory on interest rates back in 1977-78-79. In those years they went down, not up. They

started going up in mid-1979. It has nothing to do with these costs I quoted to you from the public accounts. This estimate came out in late '76-'77, when interest rates were reasonably high, and then they came down out in late '76-'77, when interest rates were reasonably high, and then they came down from that point. Yet you went from a \$2 million estimate to a \$7.5 million actual, and again with the same rate of decline the following year, and you went from \$6 million to \$17 million. Now, when you've estimated \$16 million, and the interest rates have skyrocketed, you're saying you can live with it. Well, with a new finance minister, maybe you also have a new magician in the crowd, but I don't know how you're going to manage that, if historically you've gone that way, how can you justify this? And how can you justify a decrease from your 1979 actual with the interest rates the way they are?

**MR. TCHORZEWSKI:** — Mr. Chairman, as I indicated, we went through a period between '75-'76 and '79-'80 when we were running, on the consolidated fund some deficit budgets; that was a factor. Also, during that period of time, we decided to improve our cash position so we increased the amount of our treasury bills, I believe, and that made a major difference in our interest costs. In 1980-81, the simple fact we have a balanced budget has to be a positive aspect of how we can, other than what has happened to the . . . That's one of the difficulties the federal government has right now; they let it get out of hand and out of control. We have not been prepared to do that. We do have a balanced budget, and that will reflect, from our point of view, on our interest costs.

I think the member across asked, how much did we increase our cash position? I know that in one year, Lorry says we increased it by \$53 million. We'll work it out year by year and get it to you so you can have it.

**MR. ROUSSEAU:** — On a \$2 billion budget, that's not going to put you into the position. On the comment you just made, I indicated you were trying to be a magician; you're also trying to be a comedian. That is absolute nonsense! However, agreed on that estimate. One more comment, come next year I hope I don't have to make you eat what you just said tonight.

**MR. TCHORZEWSKI:** — Mr. Chairman, I don't want the member to mention that next year. If he can assure me what'll happen with the interest rate next year, what I will assure him will be the difference, if there is any difference, in this subvote. That's something we can't predict with any accuracy. We have some tremendous suggestions to make to the federal government, which we have made over time, but unfortunately they wont listen to us.

**MR. ROUSSEAU:** — One comment you have all the experts. I don't have any. I work by myself.

**MR. CHAIRMAN:** — Order.

Item 1 agreed.

Vote 12 agreed.

**FINANCE  
CONSOLIDATED FUND  
LOANS, ADVANCES AND INVESTMENTS  
VOTE 60**

**Item 1**

**MR. ROUSSEAU:** — What is it for?

**MR. TCHORZEWSKI:** — The member will be interested in this. We put each year an estimated amount that may be needed for loans for seed grain and supplies. I guess that's the jargon that's used, in the LIDs. In LIDs it is a long-standing provision that's there. The number of LIDs has been declining. In fact, I'm not sure whether there are any anymore but there may be because of the conversion to rural municipalities.

**MR. ROUSSEAU:** — Mr. Minister, \$60,000 in your words doesn't seem like an awful lot of money, but your answer is absolutely ridiculous. If they're not there any more, what's the estimate doing there? Why is it in your department when it should be municipal?

**MR. TCHORZEWSKI:** — I guess it's a little broader than just the way I defined it by using the example. I am informed that if under any act there are provided some loans and advances which are not provided for elsewhere in the estimates, then it would be done out of this particular subvote and under this authority. My staff cannot recall it being used last year, in fact, it's for unforeseen contingencies or unforeseen circumstances that may come about.

**MR. ROUSSEAU:** — I don't know how many places you want to estimate or allow for unforeseen expenditures. That is the second one now. Secondly, you say you didn't spend any money there last year and you have the nerve to come to this legislature to ask for \$60,000 this year because it was there last year. That is absolute nonsense! You just said you didn't spend anything last year on Vote 60. Isn't that what you just said or did I misunderstand?

**MR. TCHORZEWSKI:** — I think you have to read the subvote. It has nothing to do necessarily with expenditures. It is for loans and advances that may be authorized. So no expenditures are made, but loans and advances may be made, these would be repayable.

**MR. ROUSSEAU:** — Historically, when you have, and I don't know how many years I would have to go back now to find out whether you have, used this subvote, were they repaid?

**MR. TCHORZEWSKI:** — Yes.

**MR. ROUSSEAU:** — How far back are you going when you last used that?

**MR. TCHORZEWSKI:** — We are going as far back as the provision has existed.

**MR. ROUSSEAU:** — No, you misunderstood my question. Have you used it recently? You said one minute ago that you didn't use it last year. Well when did you use it last?

**MR. TCHORZEWSKI:** — My officials offhand can't tell me when it was last used. We will do some checking to be able to give you the information.

**MR. ROUSSEAU:** — Mr. Chairman, the reading here, I'd just like to clear it in my own mind. Item 1 says to provide for loans and advances authorized. Then when it goes down below, it says, total for finance loans, advances and investments. Now, why is the word investments in there when it is not above?

**MR. TCHORZEWSKI:** — I am told it is standard wording provided in some acts. If you

look on page 106 you will see the title in the blue book, under this area, is consolidated fund loans, advances and investments. In some of the acts it is written up that way. That is why it is stated this way in the subvote.

**MR. ROUSSEAU:** — Could you give me an example of where you would use that \$60,000 in investments?

**MR. TCHORZEWSKI:** — No, I cannot. It has not been used for investments. It, in here, just carries the title as is required for it to be carried. The actual thing that happens is indicated under subvote 1 which reads, loans and advances authorized.

Item 1 agreed.

Supplementaries Vote 60 agreed.

**DEPARTMENT OF FINANCE  
CONSOLIDATED FUND DEBT REDEMPTION, SINKING FUND AND INTEREST  
PAYMENTS — VOTE 55, VOTE 56, VOTE 57**

**Vote 55 agreed.**

**Vote 56 agreed.**

**VOTE 57**

**Item 1**

**MR. ROUSSEAU:** — Just a quick question on that. Was your calculation on the interest based on the interest rates as of last fall or is it the terms established over the years?

**MR. TCHORZEWSKI:** — I'm told that most of this is fixed long-term debt. So I guess your final comment is correct.

Mr. Chairman, maybe you did it intentionally but I think we missed Vote 51, loans, advances and investments, municipal finance corporation on page 110.

**MR. CHAIRMAN:** — That's correct, we haven't done that one yet. Sorry I missed it. We'll come back to that one in a second.

Item 1 agreed.

Vote 57 agreed.

**SASKATCHEWAN  
MUNICIPAL FINANCING CORPORATION — VOTE 51**

**Item 1**

**MR. ROUSSEAU:** — Why is that here now, is it under your department and covered now?

**MR. TCHORZEWSKI:** — I happen to be the minister in charge of the municipal finance corporation and these are loans and advances provided to the municipal finance corporation.

**MR. ROUSSEAU:** — Well, just one other question then. Why is there a 50 per cent increase in it?

**MR. TCHORZEWSKI:** — We're anticipating that in urban areas, because of capital construction which is either taking place or expected to take place, there will be a requirement for more money to be provided by the municipal finance corporation to municipalities at their request.

Item 1 agreed.

Item 51 agreed.

**FINANCE— SUPPLEMENTARY — ORDINARY EXPENDITURE  
VOTE 11**

Items 1 and 2 agreed.

Supplementary Vote 11 agreed.

**DEPARTMENT OF FINANCE — SUPPLEMENTARY — HERITAGE FUND  
VOTE 72**

**Item 1**

**MR. ROUSSEAU:** — That makes it a total of what, \$318 million or \$308 million?

**MR. TCHORZEWSKI:** — That makes it \$338 million. It was estimated at \$328 million.

Supplementary Vote 72 agreed.

**DEPARTMENT OF FINANCE — ORDINARY EXPENDITURE — HERITAGE FUND  
VOTE 12**

Vote 12 agreed.

**PROVINCIAL AUDITOR — ORDINARY EXPENDITURE  
VOTE 28**

**MR. CHAIRMAN:** — Order. Did you want to introduce your staff?

**HON. E.L. TCHORZEWSKI (Minister of Finance):** — Yes, Mr. Chairman. I would like to introduce the staff from the provincial auditor's office who are here. Mr. Lutz, who is seated beside me, is our provincial auditor. Mr. Wendel, Mr. Bucknall, and Mr. Hunt, who are deputy provincial auditors, are seated over here.

**Item 1**

**MR. R.L. ANDREW (Kindersley):** — Mr. Minister, in the provincial auditor's report this year, you raised some concern as to the independence of that office bearing in mind the fact his salary is now being set by the cabinet. I believe he issued a suggestion that the salary of the provincial auditor in the future should be tied, let's say, to the chief justice of the court of appeal. Would you not agree that is perhaps a reasonable request? Would you be prepared to make recommendations that that be followed?

**MR. TCHORZEWSKI:** — Well, Mr. Chairman, as the member indicates it is something he

has brought up apparently in public accounts committee. I am prepared to await the deliberations of the public accounts committee, therefore determine what it may recommend on it, and then consider the recommendation. I might remind the member opposite the reason there was a change made in the first place was because of requests made by the member for Thunder Creek. When the legislation was brought in last year, rightfully or wrongfully, at the request of members opposite, it received approval without dissent either by voice or by vote. I think it's fair to assume that it received the support of this House. Now, if it is the wish of the public accounts committee to reconsider it and to recommend certain changes, I would be prepared to look at whatever the public accounts committee might recommend.

**MR. ANDREW:** — Mr. Minister, I take it from what you've said that last year you acted upon the question advanced by the member for Thunder Creek, and as a result made a change in the way in which that salary was arrived at. At that point in time, I take it you didn't refer it to the public accounts committee. In view of that, are you now prepared to consider, as is done in most other jurisdictions (in the case of the ombudsman) trying the salary of the provincial auditor to that of the senior judge in the Court of Queen's Bench?

**MR. TCHORZEWSKI:** — Certainly, Mr. Chairman, I'm prepared to consider any suggestion the member opposite brings forward. I'm not sure we want to change the way we determine the salary of the provincial auditor every year. It seems that's what we have done in the past. As the member indicates, he has a point of view and a suggestion. I'm prepared to entertain that. At the same time, I think my personal point of view is that we have a public accounts committee which has done a commendable job over the years — I might add, in some ways probably better than in some other jurisdictions. Our public accounts report and the auditor's report, I think, are scrutinized; I think it's a tribute to members who have served on the public accounts committee from all sides of the House over the years. But it is a job which is done pretty effectively, and I'm sure it will continue to be done in that manner.

**MR. ANDREW:** — Still relating to the salary of the provincial auditor — and I'm not concerned as to exactly what it is — could you tell me how it stacks up with other provinces? How many provinces have a higher salary for their provincial auditor and how many have a lower salary?

**MR. TCHORZEWSKI:** — We don't have with us the salaries of all the other provinces. Obviously, there will be some provinces ahead of what our provincial auditor gets paid, there will be other provinces providing remuneration which is less than that. But we don't have each province with us.

**MR. ANDREW:** — Would you agree, Mr. Minister, that in fact the salary of the province auditor in Saskatchewan is second or third lowest, I think after Prince Edward Island and one of the other maritime provinces?

**MR. TCHORZEWSKI:** — It may very well be in that area but I think at the same time, it's fair to say (and once again I'm not going to argue the provincial auditor's salary here) the provincial auditor's salary in Saskatchewan compares reasonably well with other heads of other agencies in other departments within the province. But as is the case with senior people in the government it is under continuous review in the same way other agency heads are.

**MR. ANDREW:** — Mr. Minister, as you're perhaps aware, an in-depth study into the

Office of the Auditor General of Canada was conducted (the Wilson Report) and came up with various recommendations. One of those recommendations was what is commonly referred to as value for money auditing. Would you (and this would of course require an amendment to The Department of Finance Act) advise this Assembly as to whether or not your department is considering implementing value for money auditing or comprehensive auditing into the office of the provincial auditor?

**MR. TCHORZEWSKI:** — I can't respond definitively because that's a matter which we have not spent a great deal of time giving consideration to. I know that it has been talked about in other jurisdictions, as a matter of fact (I am going from memory now and I may be corrected to some degree) in Manitoba either in the last session or the session before last, there were some amendments in the legislation dealing with that which were later withdrawn by the present government there because they were concerned about how in fact it would operate and would work. I'm not going to argue with him because I have not studied the discussion there or the debates which took place there but we have not considered the matter which the member opposite raises in any great depth and so I am not in a position to respond one way or the other to his suggestion.

**MR. ANDREW:** — Mr. Minister, reading from the report of the Auditor General of Canada, fiscal period, March 31, 1979, and what Mr. Macdonell says with regard to that question is this, and I think it's worthy to read it into the record.

The most important recommendation was that the auditor general should report to the House annually on whether the government expenditures have been made with due regard to economy and efficiency and whether the procedures to measure program effectiveness which were in place were reasonable to expect that they should be. In short he should conduct value for money audit. The extension of the auditor general's scope and mandate to include value for money audit is having an enormous effect on the work of the office and ultimately will have a big impact as well on the economy, efficiency and effectiveness of government at all levels of the public service in managing money and resources.

Now, those are the statements with regard to that idea of value for money and auditing advanced by the federal auditor general. It is also in place in the province of Ontario, the province of British Columbia, the province of Alberta and one or two of the maritime provinces.

Now, you indicate that you haven't given any consideration to this particular view, and yet it's the common view held by many of the auditors throughout Canada. Are you prepared as the Minister of Finance, to look at this concept of post audit and the procedures by which post audit is done?

**MR. LANE:** — I would just like to raise a matter of privilege. It strikes me that we just talked about the independence of the provincial auditor and I don't see the provincial auditor advising the minister. I see the deputy minister of finance.

**MR. CHAIRMAN:** — Order. That isn't a question of privilege.

**MR. LANE:** — It sure as heck is. He's supposed to be the independent provincial auditor, and it's the deputy minister of finance who is answering the question.

**MR. CHAIRMAN:** — Order. That is not a question of privilege.

**MR. LANE:** — You're saying that the independence of the provincial auditor is not a matter of privilege to this House, Mr. Chairman?

**MR. CHAIRMAN:** — No, I'm not saying that at all. I'm saying that your point is not a question of privilege.

**MR. TCHORZEWSKI:** — Mr. Chairman, I guess it's a question of privilege that I shouldn't comment on, because you have made your ruling but I, as a minister, think I should be using the advice of the . .

**MR. CHAIRMAN:** — Order. You are out of order.

**MR. TCHORZEWSKI:** — May I respond to the question raised and the comments made by the member for Kindersley. Let me point out that we as a government cannot be easily compared to the operations of such as the federal government. That's the major premise which has to be taken into consideration and be kept in mind.

We take measures within our government services to assess programs and to make sure we establish operational efficiencies in the best way possible. We have the bureau of management improvement, Mr. Chairman, which does operational reviews of departments on a regular basis and on request, and that's an ongoing function. We have PMIS, better defined as program-based management information system, which assures program efficiencies. That has proved to be a very effective internal government system to meet the needs as indicated by the member opposite. We are looking at other ways in which we might be able to do that even better. Certainly if it is thought we need to establish other avenues or other kinds of controls or other reviews, we'd be most prepared to look at that. Up till now these internal systems which are in place have been doing a particularly good job from the point of view of determining that programs and the delivery of programs are done very efficiently.

**MR. ANDREW:** — Mr. Minister, would you not agree with me, however, there's a very material difference between the provincial auditor's office doing a post audit to determine whether or not moneys are being spent with economy and efficiency on the one hand, bearing in mind that the provincial auditor is an employee of the legislature as opposed to the Department of Finance. Surely there's the independence of the office to ensure that the efficiencies or the inefficiencies are brought to the attention of the public. I'm sure the officials of your department are not going to bring them to the public. Do you not agree that there's quite a distinction between the post audit and the control mechanisms put in by your department.

**MR. TCHORZEWSKI:** — Indeed, there is a difference in the two approaches. I don't deny that. It's a question of point of view and a question of the measures which are there. I am saying to the members opposite that the measures which we have within our internal government operations have been effective, continue to be effective, and that does not in any way take away from the independence of the provincial auditor's office which, as will be indicated by the auditor's reports which members get every year, has done a pretty credible and commendable job in looking at the expenditures and the operations of various government departments. Where there are things which need to be brought to the attention of the legislature and then to the attention of the public accounts committee, this has been done and certainly will continue to be done.

**MR. ANDREW:** — But, Mr. Minister, would you not agree with me that the present system in place in Saskatchewan is what is referred to as a test audit and not a

comprehensive audit system which is in place in other jurisdictions. In other words, by way of example, if the legislature appropriated X number of dollars to go out and buy land, and you or some other person in the government went out and paid \$1,000 an acre for that land when it was only worth \$300 an acre. Of course you appropriated the money, but the auditor would not be allowed under the present legislation to comment on that overexpenditure or that wasteful expenditure of money — that you didn't get the value for the dollar that you spent. Surely that is the function of a provincial auditor — to bring that to the attention of the public, to force corrective measures on the government, and not really rely on the people within your department to say, oh yes, we're doing very well. Just trust us. We're doing very well.

**MR. TCHORZEWSKI:** — There will be examples, Mr. Chairman. If there is an example of a glaring situation, as the member opposite might be able to describe to this House, our provincial auditor would probably make some comment on it, and from time to time he has.

**MR. ANDREW:** — I take it then that you are not prepared to move in a way that other jurisdictions have moved: into the field of comprehensive auditing, of having the provincial auditor's people look at whether or not programs are returning proper value for dollar spent. Do you not think that is an important thing for the people of Saskatchewan to know, whether or not their dollar is in fact being spent properly? And do you not think that it's important for an independent branch (like the provincial auditor) to approve it or say whether or not they have reservations about this program or that program, that you're not getting the proper money? Surely, that's a function which modern government needs; that's one of the main recommendations advanced by the Wilson report, which is a major report into the concept of post audit.

**MR. TCHORZEWSKI:** — Mr. Chairman, as I have already indicated, we are evaluating the whole process. If it were decided that there should be changes, I would indicate that in due course. We are never completely locked into one particular practice or another, or one particular program or another, but I think a government, being responsible, needs to look at what it's doing, needs to look at various legislation which is in place, needs to make evaluations. We are evaluating now. If we decide there should be changes, we will discuss it with the legislature. I want to leave no doubt, and want to make sure the member opposite doesn't leave any doubt, that programs established within this government, because of the very effective evaluation which does take place, and because of the good, high quality of our managers within departments and agencies, and because of the outstanding co-operation between those managers and the control agencies such as budget bureau and the Department of Finance, we get very effective value for dollars spent on various programs. Sure, there will be cases, as the provincial auditor reports from time to time, where errors are made. That's why we have a provincial auditor who reports to this legislature, in order that that may be pointed out and corrections looked at and made as required.

**MR. ANDREW:** — You indicate you are presently evaluating this. At what stage are your evaluations, Mr. Minister? Could you advise the Assembly whether you have done any cost projections as to what the additional cost would be to implement a system of comprehensive auditing, or a modified system of comprehensive auditing?

**MR. TCHORZEWSKI:** — We haven't gone that far yet, but it is indicated to me we are certainly studying systems which exist in other governments in Canada.

**MR. ANDREW:** — I'd like you to be a little more specific. What systems in other parts of Canada are you studying and with what in mind?

**MR. TCHORZEWSKI:** — We are looking at all the things which exist in other provinces, what is done there. The purpose is to ask the question and get an answer, which deals with the same question the member opposite raises — a question of value for dollars spent. How can we improve efficiency and effectiveness? That is foremost in determining the purpose of evaluating what is happening, and carefully studying what is happening in other provinces of Canada.

**MR. ANDREW:** — Are you looking at the methodologies of other provinces to perhaps institute economies and efficiencies in your own department or are you looking at upgrading the office of the provincial auditor? Why are you looking for them?

**MR. TCHORZEWSKI:** — The primary focus is to look at improving the efficiency of various departments. Secondly, we are looking at various legislation which provides certain powers and certain things for provincial auditors to do and we are addressing ourselves to that.

**MR. ANDREW:** — Well, Mr. Minister, you seem to have at your fingertips what happened in the province of Manitoba last year with the introduction of a bill relating to comprehensive auditing. I understand it was not supported by the opposition, who, as I further understand, later resented that. Now, if you know the situation in Manitoba I am sure you're also aware of the situation in Ontario and the situation in B.C. and Alberta.

**MR. TCHORZEWSKI:** — No, with no great precision. I'm not aware of precisely what exists there because I have not studied them. I am awaiting the review taking place and until that review is done, I am prepared to wait. As I indicated, I was making a comment on what happened in Manitoba from memory. I don't have it at my fingertips. I can only recollect in a general way that there was indeed legislation, but specifics of what it was and what eventually happened to it, I cannot relate to the member opposite. I would be the first to admit it as I did when I made the comment initially.

**MR. ANDREW:** — Mr. Minister, you pointed to Mr. Douglas. Is he the person or someone in your department who is doing this review? Are you open to submissions from interested parties in the systems to be developed?

**MR. TCHORZEWSKI:** — Certainly I motioned over here because it is work being done within the Department of Finance. If the member is as free with his advice as he should be in the consideration of these estimates, if he wants to make some suggestions to me, I'll look at them. At the present time what we are doing is an internal study within the Department of Finance to determine the things I pointed out in my earlier remarks.

**MR. D.G. TAYLOR (Indian Head-Wolseley):** — Mr. Minister, you heard me mention before (and maybe this is where we'll get an answer) the fraud that took place in the Department of Social Services at the Lakeside Nursing Home, and the failure of your department to do an audit for a period of five years. Why haven't you audited the expenditures at the Lakeside Nursing Home for a period of five years?

**MR. TCHORZEWSKI:** — I'm told by my advisor that there are certain agencies such as court houses and nursing homes where the audit is done on a cyclical basis. Nursing homes are in that category where there would be an audit every so many years. Indications are that will probably continue and it will not likely be done every year in

some of these categories. To do it every year there would need to be a major increase in staff and we are not sure whether it may be necessary to do it every year in some of these cases.

**MR. TAYLOR:** — But you say a cyclical nature. Is that common practice? Five years, is that . .

**MR. TCHORZEWSKI:** — I'm informed this cyclical basis of auditing things like courthouses is something that has been done for many years, as long as our memory here can take us back. So it's something that has been a practice for some time.

**MR. ANDREW:** — One further question, Mr. Minister. It relates to the whole question of the auditor having a perception of being an independent person, and his office being independent, which I think is very important. Has your department given consideration to taking the provincial auditor part out of The Department of Finance Act, and introducing a total act to cover the provincial auditor much in the same way that The Ombudsman Act is covered, or something like this?

**MR. TCHORZEWSKI:** — There's been no decision made in that respect. I'm told the department has looked at it from time to time, but it has not been thought that would change things substantially. I know the member opposite talks about the perception. I agree that's important, except I have yet to hear from the public or people out there who are concerned about the operations of government where there is a perception that the provincial auditor's office is not independent. In fact, I would venture to say that I think in the public mind, which the member opposite and I represent, it is the other way. There is a perception of the independence of the provincial auditor's office. I have no doubt about that at all.

**MR. ANDREW:** — Mr. Minister, sometimes the scrutiny of the provincial auditor's report doesn't captivate the media, let's say. But going back to several of the reports of the provincial auditor, and some of the recommendations of the provincial auditor in the past three or four years, the provincial auditor has called for an independent act, for an act covering the provincial auditor as is the case in most other jurisdictions of this country. So it's not a question of simply me raising the point. The provincial auditor has raised the point. And the point is agreed to by most other provincial auditors in the country. The provincial auditor has called on various occasions for an independent act. Would you agree with that?

**MR. TCHORZEWSKI:** — It's certainly one aspect of the broader review within which we can consider that. The member indicates there has been a recommendation in the provincial auditor's report that there should be a separate act. That's something that the provincial auditor at some time may want to consider. But I can't recollect such a recommendation. I think, as I am informed very quickly, there has been an assessment made of what is happening in other jurisdictions. But as far as a specific recommendation for that, I am not aware of any. If the member is, he might want to remind me.

**MR. ANDREW:** — Mr. Minister, would you agree that perhaps the proper analogy would be that the provincial ombudsman office and his responsibilities are under the Attorney General, as opposed to being independent. Do you not think that it's very important that the ombudsman be not only independent, but perceived to be independent? Do you not think that equally applies for the provincial auditor? He should not only be independent, but appear to be independent?

**MR. TCHORZEWSKI:** — Yes, indeed, Mr. Chairman, I agree with that wholeheartedly. I think the provincial auditor should not only be independent, but should appear to be independent, and should be perceived to be independent, as I think is the case at the present time.

**MR. ANDREW:** — Would you not agree than, Mr. Minister, arising out of that, to have an independent act entitled the provincial auditors act would be a step toward that perception of independence.

**MR. TCHORZEWSKI:** — Not necessarily, Mr. Chairman, because I think the sense of perception is already there. I don't think there's any doubt about it. In the overall review that takes place, if it is thought there may be some merit in going through the removal of the provision there now and putting it in separate legislation, that's something which will be decided on. I would not want to leave the impression I agree with the suggestion that somehow the office of the provincial auditor is not perceived to be or, in fact, is not independent, because I think I think it's just completely to the contrary.

**MR. ANDREW:** — I have no further questions relating to this. I would like to commend the provincial auditor for his work. His independence is because of his own personality and independence. I suggest the members of this House would be well served if we did bring in an independent provincial auditors act, and in that act have value for money auditing.

I hear the Minister of Finance talking there and it strikes me that he says we'll do it ourselves behind closed doors to make sure there are no problems with it. That's the big dilemma I have. Obviously the Minister of Finance is not going to move on this.

I think that's too bad because the provincial auditor in this province has been a strong office for a long time. But we must get into the twentieth century with comprehensive auditing systems. It's too bad the Minister of Finance is not prepared to move on this, and instead is holding back our provincial auditor from advancing in step with many of the other jurisdictions.

I think the people of Saskatchewan would be very well served to make an independent act and to give him the power, the money and the staff to do the job. If we did this I'm sure the whole question of effectiveness and efficient use of money in the province would be well served. In the end the people of Saskatchewan would be the big gainers.

**MR. TCHORZEWSKI:** — Mr. Chairman, very briefly, I agree with the member's comments that the provincial auditor's office in Saskatchewan has been strong. I'm glad we share this point of view. It certainly is true historically. It's true today.

I also appreciate the difficulties which sometimes are faced because of situations where there may be staff vacancies and so on. But in spite of those difficulties I think it's fair to say the provincial auditor's office in this province deserves commendation for the kind of diligence applied. The nature of the work is such that there is a great deal of travelling and some of the personnel spend a considerable amount of time away from home. That's not the ideal situation for most people. In spite of that I think the work done is worthy of commendation and I certainly would be the first.

**MR. ANDREW:** — I had one further question. Does the provincial auditor in this

province conduct audits on all departments of government and all Crown corporations?

**MR. TCHORZEWSKI:** — Some auditing is done by the private sector for some agencies. The audit report then comes in and is reviewed by the provincial auditor.

**MR. ANDREW:** — Is that a decision made by the provincial auditor's office or a decision made by cabinet — going to outside auditors for Crown corporations?

**MR. TCHORZEWSKI:** — I'm informed that relative to the Crown corporations, the administration of the corporation may make the decisions. With regard to the legal-aid clinics, the provincial auditor advises me he made the appointments.

**MR. ANDREW:** — The Crown corporations make their own determination as to whom they are going to have as their auditor and not the provincial auditor?

**MR. TCHORZEWSKI:** — It can be one of two ways, either the administration of the Crown or the executive council may make a designation of a private auditing firm to do it and then have the report reviewed by the provincial auditor's office.

**MR. ANDREW:** — Does that not, Mr. Minister, seem to take away from the office of the provincial auditor, when the cabinet or the board of a Crown corporation can unilaterally say, well, now we don't want the provincial auditor on this one. We are going to get another accounting firm to do that for us. Now, surely, that should be a decision of the provincial auditor, not a decision of the cabinet.

**MR. TCHORZEWSKI:** — No, I don't think it takes away at all. I think if the member has any examples of firms he would suggest are not adequate in the audit they do. I would be most pleased to hear which they may be. I am not suggesting he is suggesting if. I am sure he is not. The firms that have done the audits are credible, very reputable firms. In the final analysis the report they provide and the audit they do is reviewed by the provincial auditor when it is done.

**MR. ANDREW:** — Yes, but Mr. Minister, should it not be the provincial auditor's decision as to whether he wants to farm something out. If he doesn't have enough staff that he, in fact, arranges for the accounting firm or the auditing firm as opposed to the government? It seems to me what you are saying is if we have some problems in the given Crown corporation the provincial auditor could zero in on it in his provincial auditor's report. This is not necessarily the case with a firm of accountants being hired. You can circumvent the harsh words that might come down on you by the provincial auditor.

**MR. TCHORZEWSKI:** — Well, the designation is in the legislation. It is legislation which passes through this House, so it is written into legislation. In order for some of that to change one would have to change the legislation.

**MR. SOLOMON (Regina North-West):** — Mr. Chairman, I would like to address a question to the minister if I might. Would he know who audits the federal Crown corporations by any chance?

**MR. TCHORZEWSKI:** — They have even more flexibility than we have. I am told in some cases it is done by private firms; in some cases it is done jointly by Mr. Macdonell or his staff and a private firm. In other cases it is done by the federal auditor.

**MR. SOLOMON:** — Mr. Minister, would the auditor's department consider relinquishing some of the control over the Crown corporations you now have in terms of the audits in the fashion of the federal Crown corporations?

**MR. TCHORZEWSKI:** — Mr. Chairman, that is a matter of legislation. It is in the legislation. In order for different means to be put in place it is something that would have to be a decision of the government and this legislature ultimately to change the particular instances of legislation in which it is written.

Item 1 agreed.

Vote 28 agreed.

**PROVINCIAL AUDITOR — SUPPLEMENTARY — ORDINARY EXPENDITURE  
VOTE 28**

Supplementary Vote 28 agreed.

**PROVINCIAL AUDITOR  
VOTE 61**

**Item 1**

**MR. LARTER:** — This \$87,000 wouldn't be money for auditing Crown corporations, would it?

**MR. TCHORZEWSKI:** — Mr. Chairman, it's money for payment of other auditors to do certain work for Crown corporations for the provincial auditor's office.

**MR. LARTER:** — This is charged out, Mr. Minister, to each of the Crown corporations so they would be separated and sort of charged to these firms?

**MR. TCHORZEWSKI:** — It's all charged to CIC.

Item 1 agreed.

Vote 61 agreed.

**PUBLIC SERVICE COMMISSION — ORDINARY EXPENDITURE  
VOTE 33**

**MR. CHAIRMAN:** — I'll call on the minister to introduce his officials.

**HON. E.L. TCHORZEWSKI (Minister of Finance):** — Yes, Mr. Chairman, I would like to introduce my officials. The chairman, David Bock, is seated at my right; Ernie Bereti back here is the director of administration; Jim Penrod, staff relations; director of staffing, Nola Seymoar, immediately behind me; and Rick McKillop, the director of classifications.

**Item 1**

**MR. ROUSSEAU:** — Mr. Chairman, Mr. Minister, I have a series of questions I would like to ask on the public service commission. I don't think it should take too long. Could you indicate the number of moves involved in your public service commission? In other words, how many moves did the public service commission pay for from employees

moving from one province, or within the province, or from outside?

**MR. TCHORZEWSKI:** — Mr. Chairman, within the public service commission I am told only about two or three. As it applies to other departments, we would have to sort of do some work to determine all that. I think we can do that. We can put it together and have it for the member some time tomorrow. I think it's available. It's a matter of pulling it altogether.

**MR. ROUSSEAU:** — Well, within the public service commission, you mentioned two or three. Can you tell me who they are where they came from and what moving costs were involved?

**MR. TCHORZEWSKI:** — As I said, two or three. The only people we can recollect are a Mr. Bill Adams, who came from Toronto, and Mary Gemmell who came from somewhere in Ontario.

**MR. ROUSSEAU:** — You will provide us with that list? Will you also provide us with a list of the number of orders in council, the list of the names of those over \$30,000?

**MR. TCHORZEWSKI:** — You want that for the public service commission? O.K., we will provide that as well. It's all on record. Orders in council are all open for public scrutiny. It's just a matter of putting the list together for you and helping you out. We'll get it to you.

**MR. ROUSSEAU:** — Well, my colleague has just indicated he would like to have it for other departments as well. Could you provide that, please?

**MR. TCHORZEWSKI:** — Yes. Same process. Every week at a certain day they all show up somewhere and people from the press go to look at them. I would be surprised if some of the research people from the opposition caucus don't go look at them. But we will be able to draw them together to provide them for you.

**MR. ROUSSEAU:** — Mr. Minister, does the public service commission do any hiring for Crown corporations?

**MR. TCHORZEWSKI:** — No, Mr. Chairman, it does not.

**MR. ROUSSEAU:** — Mr. Chairman, another question to the minister. How many job descriptions were there for new positions in the past year?

**MR. TCHORZEWSKI:** — I'm told, Mr. Chairman, that as a result of changes in programs and because of positions moving from the unclassified to classified and so on, that the number was 226.

**MR. ROUSSEAU:** — Would the minister provide us with a list of the names of people who were successful for these positions?

**MR. TCHORZEWSKI:** — I am told we could probably get that together. It will take a fair amount of clerical work to do it because it's not something that is put away on a computer or a microfilm or handily kept. But my staff advises me that to the best of their ability they will try to co-ordinate the position number or the job description number of whatever it's called and try to match them up to get you the information. It may take a little while to do that because it's a pretty massive job.

**MR. ROUSSEAU:** — I don't know whether you understand what I'm asking for, but I can't see where your problem is. If you have a job description and someone is successful in that application, then you know who the applicant was for the job description established. I don't know where your problem is.

**MR. TCHORZEWSKI:** — The problem is that I am told we do over 2,000 job competitions every year. It's not as if it's all categorized neatly into new job positions and existing job positions and so on. In order to gather the information the staff has to go through all those 2,000 things I am talking about.

**MR. ROUSSEAU:** — I still don't think you understand. I'm asking for new positions created, not the 2,000 you already have in place. You mentioned 200 and some that were successful in their applications. I'm talking about where you create a new job and fill out a job description for the job. Are you saying you had over 2,000 new jobs created this year?

**MR. TCHORZEWSKI:** — No, Mr. Chairman, the process and the job competitions are done in the same way for the new positions as they are done for positions that existed last year or the year before for the last umpteen dozen years. Because it's all done in the same process, all of it is located en masse. In order to determine the individual new positions and individuals who occupied them after the competition, we would have to go through the 2,000-plus competitions which took place in the past year.

**MR. ROUSSEAU:** — Wouldn't it be a simple procedure to pull out the new 200 and some job descriptions? Oh, it wouldn't be . . . I see the young lady shaking her head there. She says, no it can't be. Well, I still want it. So you'll provide it. She doesn't like me now. She's mad at me now. I don't like making young ladies mad at me, but somehow I made her mad at me.

One other question and I think maybe we'll move on. I'm not sure. How many employees did you hire last year from other governments? I don't mean municipal governments. I am talking about other provincial governments and the federal government.

**MR. TCHORZEWSKI:** — My information is that we only keep records on an in-province and out-of-province basis. So we can provide you with the information on the number of people who came from out of province. As to which individual province, that is not available.

**MR. ROUSSEAU:** — I said governments. Does that still apply?

**MR. TCHORZEWSKI:** — We don't keep the records by government.

**MR. ROUSSEAU:** — Is it possible to get that information? It isn't Carry on, Mr. Chairman.

Item 2 agreed.

### **Item 3**

**MR. ROUSSEAU:** — Mr. Chairman, I have two questions. What exactly is a classification department? Secondly, why the increase of three employees in that one?

**MR. TCHORZEWSKI:** — Mr. Chairman, the classification plan in existence now is some 35 years old. We're in the process of reviewing it and overhauling it. I quite frankly have to say I think it's long overdue. In order to be able to do that we have to have an increase in people who will be able to accomplish the task.

In response to the member's first question, the classification branch is responsible for providing a service to departments through the development and administration of a positive classification plan for positions in the public service and for labor service

positions. Just in a general sense, without going into an elaborate description, that's what it's all about.

**MR. ROUSSEAU:** — In other words you don't know what it is either and that's why it needs an overhaul. I'd agree with you.

Item 3 agreed.

#### **Item 4**

**MR. ROUSSEAU:** — The same question again, why the increase in that staff from 9 to 12? Secondly, will you provide us with a detailed accounting of the \$172,700 in other expenses? And why is it 70 per cent higher than it was last year?

**MR. TCHORZEWSKI:** — Mr. Chairman, I can give that to the member. As for the other expenses, \$172,700, you want a breakdown of that?

**MR. ROUSSEAU:** — Yes.

**MR. TCHORZEWSKI:** — We will put it together and send it to you. On the increase in staff, it is as a result of an approval of two new personnel administrative positions for the Affirmative Action programs. The other one is just a transfer of a management training position from the department of Finance to the public service commission.

Item 4 agreed.

Item 5 agreed.

#### **Item 6**

**MR. ROUSSEAU:** — I realize it is not a large amount but why all of a sudden are you doubling the other expenses there and can you provide a detailed accounting of that?

**MR. TCHORZEWSKI:** — We've got that handy so maybe I can just give it to the member now. Mostly that is for an increase of funds for computer services for compensation research and that's an additional \$9,000 which just about covers most of the increase.

Item 6 agreed.

#### **Item 7**

**MR. ROUSSEAU:** — What are you anticipating in that department — doubling your staff? What is the reason for that?

**MR. TCHORZEWSKI:** — We are attempting to improve our contract administration services to the various departments to better administer the agreement between the public employees and the public service commission as it is administered by the individual departments to handle the grievances that are, from time to time, brought forward and so on. In order to improve the ability to do that kind of thing we find that we need to increase our staff component and that is why the increase.

Item 7 agreed.

### **Employees' Group Life Insurance — Employer's Contribution**

**MR. ROUSSEAU:** — Mr. Chairman, I noticed you dropped from \$275,000 to \$250,000. What happened there? Employees' Group Life Insurance, last year, was \$275,000 and under finance, this year, is \$250,000. What is the reason for that?

**MR. TCHORZEWSKI:** — The member will be glad to know after telling me that we often underestimate, that this is a case of an overestimation last year and, therefore, it is estimated that we don't need that amount in the 1980-81 fiscal year.

**MR. ROUSSEAU:** — Who is your carrier?

**MR. TCHORZEWSKI:** — The carrier is Excelsior Life.

Public Service Commission Vote 33 agreed.

### **DEPARTMENT OF CO-OPERATION AND CO-OPERATIVE DEVELOPMENT — ORDINARY EXPENDITURE — VOTE 6**

**MR. CHAIRMAN:** — Order. I'd ask the minister to introduce his officials to the committee.

**HON. D.W. CODY (Minister of Co-operation and Co-operative Development):** — Thank you, Mr. Chairman. Sitting to my left (and I always like to have people on my left) is the deputy minister of Co-operation and Co-operative Development, Jack Reed; directly behind him is Lloyd Warkentin; this gentleman is Winston Ho Fatt; and the gentleman to my right is Art Nogue.

Before I get going I want to ask the page to hand out a letter with a small pin on it. You'll note the letter; I'm not going to read it. The pin says 'Winning Through Co-operation.' This evening I think that bodes well. Things have been going well, so the pin will help you out.

#### **Item 1**

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Minister, firstly I'd like to congratulate you for your efforts in the Department of Co-operation and Co-operative Development and as well to welcome your staff here this evening. Although it's going to be a relatively short evening, I'm sure my welcome will extend to your staff the next time we get back to the Department of Co-operation and Co-operative Development estimates.

There are a number of, at least as I see it, fundamental concerns we as an opposition have and I would suspect, or at least hope, all members of the legislature have with regard to co-operation and co-operative development.

One of the concerns, certainly, is the local autonomy of the co-operative movement in the province of Saskatchewan. Any time an organization becomes affiliated or connected in any way, shape or form with a political party it is usually the beginning of the end of that particular organization. I think that is the first observation I want to spend some time on this evening. It's a matter I feel quite strongly about.

I have witnessed over the last decade a number of organizations, all kinds of various interest organizations, particularly in the agricultural sector which have from time to

time aligned themselves with certain political parties, or certain political parties which have aligned themselves with particular interest organizations. Grave problems developed as a direct result. There's no great organization which represents a broader spectrum of Saskatchewan citizens than the Department of Co-operation and Co-operative Development.

When you think about it — the Saskatchewan Wheat Pool handling about 80 per cent of this province's grain, credit unions with approximately half the population of this province as members; Federated Co-operatives, I suspect likely one of the largest, if not the largest, retail outlets of the province of Saskatchewan — just those three elements of the Department of Co-operation and Co-operative Development, and consider the input that Saskatchewan residents have, direct input as individuals regardless of their political stripes, regardless of their political interests, you have to realize the importance of the co-operative institution or institutions of the province of Saskatchewan.

I suppose they epitomize the Saskatchewan resident, if you relate it to other parts of the country. The Saskatchewan people have been known as people who can work together in the spirit of co-operation and have an understanding of the problems and work together as a group to solve those problems. I suppose the old adage that united we stand and divided we fall is something I support very strongly with the cooperative movement. I think that in itself is something to be considered where I say co-operative movement. We don't want the co-operative movement to stop moving. It is very important that it continues to move and continues to epitomize the character of Saskatchewan citizens for the benefit of those individual Saskatchewan citizens. We wholeheartedly support, and all members do I know, co-operative organizations.

I personally was somewhat disturbed when the former premier of our province, Tommy Douglas, suggested that we are going to have to look to our young people to strengthen our party and that we had better be developing the co-operative movement. I say that's a sad day for the province of Saskatchewan when a political party appears to be attempting to tie the foundation of their party to the co-operatives, that the co-operatives are in some way a block or two, or a number of blocks of their foundation.

That's my concern and that's the very point I am making now. That's the first point that I want to make with regard to the future development of the co-operative movement in this province; that is the concern I have. Now, when I see the co-operative movement itself and its own individual members and its own organization taking initiatives to develop in the way they see fit, that's entirely a different matter. But to see that reversed as Tommy Douglas appeared to do, concerns me. Because when we (as I have suggested and stated here in the House and I understand it to be a fact) look at the numbers of people who are involved in just the credit unions alone, certainly a lot of those people have to be members of a political party other than the New Democratic Party. Certainly it has to be an affront to those particular members to see a former premier, a prominent member of an opposing party, at least opposing to them, attempting to tie the Department of Co-operative Development to their political party. I think that has to be an insult to people who are members of the credit union and not members of the NDP, to people in Saskatchewan who are members of the Wheat Pool but are not members of the NDP and do not support them. It has to be an insult as well to members who are part of the Federated Co-operative retail chain in this province, and are not a member of the NDP. So that's the concern I have and I suppose that's something I caution your department about and I caution

co-operatives generally speaking in the province of Saskatchewan — to maintain your local autonomy and local identity. That in itself will ensure the co-operative movement, and it can continue to move if it adopts that particular philosophy. But when you look at the stated philosophy of the Department of Co-operation and Co-operative Development, it recognizes the co-operative form of organization as an effective way in which the control and benefits of enterprise will remain with the people it serves. Co-operatives provide opportunity for the involvement of people. Co-operation of peoples, and their co-operatives, can aid in the development and retention of communities, and result in a better quality of life. Those are good philosophical views for any organization to hold. And they certainly are in keeping with our democratic way of life here in Saskatchewan. So for any political party to attempt to take advantage of the strong and very vital co-operative organization we have in this province, to attempt to tie it in and take political advantage of it, has to be an affront not only to the members of co-operatives who are not members of the NDP, but I suspect to a number of NDP members as well who have a great respect for the Department of Co-operation and Co-op Development.

Now, Mr. Chairman, having outlined what I feel to be a valid concern, a very valid concern, for this department, I must take a look at the actions of the government. I have to say that if you're in support of co-ops in this province, then it's incumbent on you as a government to in a very impartial way assist them in their growth. They assisted the people of Saskatchewan when they were in troubled times. In fact, that is the founding of the co-ops; that's how they got going, out of need during tough times, and the Department of Co-operation and Co-operative Development became very effective in particular as it related to the agriculture industry.

So, Mr. Chairman, we have come full circle now. I suppose the second point I want to make is that we are now looking at history repeating itself. We are now in economically troubled times. Our agricultural industry is in trouble, with low net farm income for the first time in 75 years — lower than Alberta's. Farm numbers are decreasing in rural Saskatchewan. Over half of our towns and villages are declining. We have asked, Mr. Chairman, for this government to assist the people of Saskatchewan through the institutions founded by the people of Saskatchewan — the co-ops.

Now, Mr. Chairman, we ask for assistance through the credit unions. And I see by looking at the estimates that in fact grants have been made to credit unions for assistance to low income borrowers. What more appropriate assistance from a government for the co-operative movement? When I look at the figures I see \$52,000 estimated for 1980-81. That isn't even . . . Well, I guess it might be approximately one house. Certainly that is not going to offset, in any meaningful way, in any real way, the problems the people of Saskatchewan are facing as home-owners, as farmers faced with rising costs and falling prices of commodities like grain, beef, the hog industry that is in deep trouble right now in this province. Those are the concerns we have. Those are the areas, Mr. Chairman, in which we see the co-operative movement in the province of Saskatchewan taking a very meaningful hand, with the active co-operation of the present government and administration.

So, Mr. Chairman, having outlined two of my concerns, firstly, the concern that the co-op does need to maintain its local and independent identify to maintain its success in years to come, secondly, that this government in co-operation with the co-operative movement identify the problems we face in this province rather than saying, well it is a federal problem. I say they are not. We live in this province, the federal government has refused any assistance. The Minister of Agriculture — well, he sent a telegram and has

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had meetings with the federal government. There is no assistance coming from the federal government in the immediate future, so we as a people in this province have to look at what we can do to help ourselves. That, Mr. Chairman, is where the Department of Co-operation can come into full play. That is my second main point I want to make here, tonight.

Mr. Chairman, I see that it is a bit after 10:00 p.m. and I wonder if I might just call it 10:00 p.m.

The committee reported progress.

The Assembly adjourned at 10:06 p.m.