

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Twentieth Legislature

Tuesday, November 23, 1982.

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

REPORT OF COMMITTEE

Public Accounts Committee

DEPUTY CLERK: – Mr. Shillington from the standing committee on public accounts presents the first report of the committee. Copies of the report will be distributed to all members immediately and the full text of the report will be printed in today's *Votes and Proceedings*.

MR. SHILLINGTON: – Mr. Speaker, I move, seconded by the member for Saskatoon Mayfair:

That the first report of the standing committee of public accounts be taken into consideration after the orders of the day.

Motion agreed to.

QUESTIONS

Job-Creation Program

MR. LINGENFELTER: – Mr. Speaker, my question is addressed to the Minister of Social Services. In light of a news release that was issued yesterday and a press conference that was held. I can well understand why there is some type of job-creation program being announced, in light of the fact that there are now 12,000 more people on welfare in the province of Saskatchewan than there were last year at this time. I would like to know if the minister anticipates that there will be 2,7000 fewer people on welfare by the time winter is over as a result of this program, or whether it's simply a gimmick program that was set up and repackaged to reannounce things that were already planned to be done.

HON. MRS. SMITH: – Mr. Speaker, we expect 2,7000 to 3,500 jobs. Not all of those will be off at SAP. Some will be coming off of UIC and were perhaps going on to social assistance, but it will be anywhere from 2,700 to 3,500 jobs.

SOME HON. MEMBERS: – Hear, hear!

MR. LINGENFELTER: – Mr. Speaker, simply put, my question was whether the minister anticipates that the 52,000 people now on welfare will be reduced by 2,700 or 3,500 (which number she wants to use) as a result of this program being announced.

HON. MRS. SMITH: – Mr. Speaker, some will. We anticipate many out of that, up to 3,500.

MR. LINGENFELTER: – Mr. Speaker, I would ask the minister as well whether she knows the percentage of the 52,000 people on welfare – what percentage of that group would be under the age of 30?

HON. MRS. SMITH: – Mr. Speaker, I would have to take notice of his supplementary.

MR. LINGENFELTER: – Mr. Speaker, in a report issued from the Department of Social Services, the September number would indicate that 68.9 per cent of the 52,000 people collecting welfare are under the age of 30. I would like to know when this government and the minister are going to get on with meaningful projects which were cancelled over the summer? Projects like the provincial lab, the archives building – the rehab centre alone would have meant \$43 million in spending to create meaningful jobs? When are they going to announce a program that will take those some 40,000 young people off of welfare and given them a job so they can go to work?

HON. MRS. SMITH: – Mr. Speaker, we signed an agreement yesterday with the federal government for a job-creation program. I want to note two things. We are number one in Canada, the lowest with our unemployment rate.

SOME HON. MEMBERS: – Hear, hear!

HON. MRS. SMITH: – Number two: we were the first province in Canada to sign the agreement with the federal government in order to get the job creation program on the way.

SOME HON. MEMBERS: – Hear, hear!

HON. MRS. SMITH: – You talk about projects which weren't initiated or weren't complete. Let's talk about some that were approved, which you've neglected to identify: the P.A. technical school, \$15 million worth of construction; four high schools, \$43 million. Let's talk about the 6.1 going into the special-care homes. There are many which you didn't identify. Those are all going to create jobs.

MR. LINGENFELTER: – Supplementary, Mr. Speaker. There were indeed a great number of projects announced in the \$15 million package that the minister announced yesterday, things like a power plant for Saskatoon, a feasibility study in Assiniboia, the installation of sprinklers in Cudworth. If the minister is trying to make us believe that these projects weren't ready to go and on the road at any rate, whether or not she made the announcement, then I think that the government is shirking its responsibility. What I would like to know is when the projects are going to get on the road. The high schools were announced for '83 and '84. What we're talking about is a crisis in welfare, where we have 52,000 recipients – up 12,000 from a year ago. When are you going to deal with that problem?

HON. MRS. SMITH: – Mr. Speaker, applications for the job-creation program will be ready to go next week and we are looking at a 14-day turn around time for approval.

Bus Service to Frontier, Eastend and Shaunavon

MR. LINGENFELTER: – Mr. Speaker, a new question directed to the minister in charge of STC which outlines a cutback in bus service to Frontier, Eastend and Shaunavon, which will effectively cut back by

one-third the bus service to the area between those towns and Swift Current.

My questions to the minister is whether or not he intends to hold public hearings in those towns to allow the people of the area to have some input into the scheduling and that bus service?

HON. MR. GARNER: – The information, to the best of my knowledge, that I have for the hon. member, Mr. Speaker, is that hearings are scheduled for every location where cutback in service is to take place. For the member's further information, I believe the loss projected there for this year was in the neighborhood of about \$50,000. That is the reason why we looked at the cutback of service in that area.

MR. LINGENFELTER: – It is a new, interesting concept in dealing with public transportation that if there is a loss of revenue this government intends to cut the service. My question to the minister is this: the cutback has been announced for November 29; if you are in fact counting on having public hearings, can you tell me the dates when they will occur and in what locations?

HON. MR. GARNER: – I don't know the date – if and when. As I have said to you, to the best of my knowledge these are all taking place beforehand. But I believe it shows the government is showing fiscal responsibility to the people of Saskatchewan. We're looking at a loss in the neighborhood of \$50,000 of the taxpayers' money because people are not using that bus enough.

MR. LINGENFELTER: – Mr. Speaker, a supplementary to the Premier. Mr. Premier, is it in fact the policy of this government to cut back bus service to areas where there is a loss shown?

HON. MR. DEVINE: – Mr. Speaker, the Government of Saskatchewan is examining all the programs we inherited from the previous administration. Where there are areas where we can provide increased service and we can provide that in an effective and efficient manner we certainly are going to be looking at it. In some cases, it means modification to the program, in some cases it may mean additions, and in other cases it may mean changes. It doesn't necessarily mean they will all be profitable; it doesn't necessarily mean they will all be run at a loss – whatever makes the most common sense.

MR. LINGENFELTER: – Supplementary to the Minister of Highways and Transportation.

I find it very interesting, and the people in Eastend, Ponteix and places down there are wondering how this government can afford, through their great fiscal responsibility, chauffeurs, and that type of thing, for transportation in Regina.

MR. SPEAKER: – Order, order! Does the member have a supplementary question? I believe that the rules are very plain that when you have a supplementary you don't have time for a prelude, but rather you ask your question.

MR. LINGENFELTER: – Yes, Mr. Speaker. Supplementary to the minister in charge of STC.

I'm wondering if he can give the rationale why the bus service is being cut back. In his letter he refers to the fact that an operation in Frontier has closed its doors, and I'm

wondering if he can explain his rationale behind that.

HON. MR. GARNER: – Well, Mr. Speaker, I will have to take notice of this question. I mean, I believe it will be an excellent question to ask in Crown corporation meetings. I don't believe any minister in any province of Saskatchewan would know exactly the fine details and the exact cost of every line operating in the provinces.

MR. LINGENFELTER: – Final supplementary, Mr. Speaker, to the minister.

In the letter, you're referring no doubt to Friggstad Manufacturing, which is the main user of the bus service in that area. I would like to know how you justify saying that the plant is closed when I believe last week the minister in charge of Sedco announced a refinancing package, which will allow the plant to open, and the bus service is very much needed. How does one minister announce the plant is closed at the same time another minister is announcing that it's open? It's a little difficult for the people there to understand.

HON. MR. GARNER: – Once again, Mr. Speaker, I will bring forward to the hon. member a complete detailed package of information on that service and the cutback of schedule.

Red Coat Trail

MR. LUSNEY: – Mr. Speaker, I have a question to the Minister of Highways. A little over a week ago the minister met with the Red Coat Trail Association, and failing to have proceeded with much of the needed construction along that trail, the minister announced that he would be erecting about 100 signs along the Red Coat, or Highway 13 – Red Coat Trail signs. Could the minister inform this House as to what the cost of those signs might be and where they are going to be manufactured?

HON. MR. GARNER: – Mr. Speaker, once again it looks like we're not into estimates in the Assembly, but to the best of my knowledge, for the hon. member, the approximate cost for the signs is in the neighborhood of about \$1,500. The erection costs are about equal — another \$1,500. So costs to the people of Saskatchewan for the Red Coat signing are about \$3,000. That's rough. That's as close as I can remember from the meeting.

MR. LUSNEY: – Supplementary, Mr. Speaker.

MR. SPEAKER: – Order, please. Order. It's impossible for me to hear the question to the hon. member, and I'm sure it's not possible for you. Could we have order, please.

MR. LUSNEY: – Mr. Speaker, the minister neglected to answer the question of where those signs might be manufactured. He can answer that question after the next one that I ask him. I would like to ask the minister if he has indicated to the Red Coat Trail Association just what portions of Highway 13 he intends to tender in this coming year for the new construction of '83; and maybe while he is answering that question he could indicate to this House how much of the present project array for 82-83 has been completed or scheduled on the Red Coat Trail.

HON. MR. GARNER: – Well . . . (inaudible) . . . this with three points, Mr. Speaker. I don't know offhand who is manufacturing the signs. I know they're going to be manufactured and erected next year . . . (inaudible interjection) . . . Well that's good,

maybe you are.

The second point, Mr. Speaker: the only announcement that was made at the Red Coat Trail annual meeting was the correction of the intersection. This was strictly a safety feature at 13 and 39. That will be done next year. As far as the project array, that will not be finalized and not be announced completely until next spring.

MR. LUSNEY: – A supplementary, Mr. Speaker. Could the minister indicate to this House whether he is going to be announcing new programs for Highway 13, or is he simply going to announce some of the programs that have been proposed by the former NDP government?

HON. MR. GARNER: – Mr. Speaker, there is going to be a slight variation in the announcement of projects by this government in the Assembly next spring. And I'm talking basically about new work projects. The previous administration had simply announced projects for the sake of the minister standing up in the Assembly and carrying on for half an hour. There were not adequate funds to construct every road that was announced last spring. This new government will, when the project array is announced for 1983. For every one of those roads that are announced, construction will start on those roads in 1983. This is the difference between this government, Mr. Speaker, telling the truth to the people of Saskatchewan versus misleading them.

Saskatchewan Mortgage Interest Reduction Program

MR. SHILLINGTON: – A question to the Minister of Revenue, Supply and Services. Members on this side of the House have suspected for some time that the government is late in paying people who qualified for the Saskatchewan Mortgage Interest Reduction Program. Members will recall that anyone who cares to ask was told by the department that their applications would be approved by November 1. I personally have been flooded with complaints by people who didn't get their money on November 1 as promised.

My suspicion that the government was late in meeting these payments was confirmed by an article in the *Star-Phoenix* where the minister was quoted as saying, "the Saskatchewan government has approved 23,000 subsidized mortgages for Saskatchewan home-owners and has another 9,000 left to go." So by the minister's own statement, the government is late on approximately one-third of all applications.

My question to the minister is: is the government late because it is simply too incompetent to organize this program in the nearly five months they have had? Are you late because you don't have the money and you are therefore slowing up payments? Or do you just not care about these people, some of who have genuinely banked on getting this money on November 1?

HON. MRS. DUNCAN: – I should say no, no, to your first two questions, and yes, we do care about the people that are receiving the benefit. I might say, that must be a late issue of the *Saskatoon Star-Phoenix*, because as of November 17, 30,036 applicants in Saskatchewan are now receiving benefits.

SOME HON. MEMBERS: – Hear, hear!

HON. MRS. DUNCAN: – We have made it very, very clear in news releases and to people that have phoned with inquiries that, yes, in some cases applications have piled

up because initially we expected a flood of applications and that's exactly what we got. But this government, I might say, is not going to hire 2,000 people to run a program that can be efficiently run by a dozen or so people. I can also say that my office has not been flooded with phone calls from irate people, but I have had numerous, numerous letters of congratulations and thanking us for introducing the program.

SOME HON. MEMBERS: – Hear, hear!

MR. SHILLINGTON: – Supplementary question to the minister. How many applications are left to be approved, but have not yet been processed?

HON. MRS. DUNCAN: – 4,057.

Health Care Facilities in the North

MR. YEW: – Mr. Speaker, I would like to direct a question to the Minister of Health. Last August 20, the Minister of Health said that facilities such as the La Ronge Hospital and nursing care home were under review. He also said that health care in the North would be improved under this government. My question to the minister is this: how long do people in the North have to wait for these improvements? When will the La Ronge Hospital be proceeded with?

HON. MR. TAYLOR: – Mr. Speaker, in answer to the hon. minister, those are the correct statements that he quotes from me as of August 20. Certainly that is the position of this government: that health services in northern Saskatchewan will be improved. I have just come back from a tour of northern Saskatchewan and saw some of the needs. Certainly, housing needs and things of this nature have immediately been addressed. It indicated that there were a number of vacancies left over from the previous government in the delivery of services. We are looking at supplying those.

In regard to the La Ronge Hospital, as I said previously (and it is the same position of this government), we took over the services on October 1 – of health services and of social services. My colleague and I are working closely together to avoid overlap and duplication in the providing of these services to communities in Saskatchewan. We are assessing the need in La Ronge. I have informed the people of La Ronge that their hospital is deferred. After we have come together to decided what are the best and most efficiently built facilities to provide for the health needs in La Ronge, the announcement of that construction will be forthcoming.

SOME HON. MEMBERS: – Hear, hear!

Construction of Road to Dillon

MR. THOMPSON: – Thank you, Mr. Speaker. My question is to the Minister of Highways. On June 30, I asked a question of the Deputy Premier regarding construction of the road to Dillon. I wonder if, at this time, the minister would be prepared to answer the question: when will that road be completed?

HON. MR. GARNER: – Mr. Speaker, once again, the project array is not finalized; it will not be finalized until the spring of '83. When that's finalized, it will be brought forward to the members of the Legislative Assembly.

MR. THOMPSON: – Supplementary, Mr. Speaker. That same road goes along Highway No. 155 to Dillon, St. George's Hill and the village of Michel. Last year a bridge was approved for the Dillon River, and the right of way was cleared from St. George's Hill to the village of Michel. Could the minister indicate whether he has cancelled that bridge over the Dillon River, or if that bridge will be going ahead?

HON. MR. GARNER: – No, Mr. Speaker, we have not cancelled that bridge.

Phil West

MR. LINGENFELTER: – Question to the Premier. I'm wondering, in light of the fact that a news release came out of Prince Albert yesterday where Phil West announced he was not going to be seeking the nomination, can you inform this House whether or not Phil West is being considered for an appointment?

HON. MR. DEVINE: – Mr. Speaker, I haven't been talking to Mr. Phil West since he made the announcement, and I just can't add any more to whether he will be looked at in terms of employment or not.

Saskatchewan Development Committee Appointments

MR. KOSKIE: – Mr. Premier, I note that you have made the appointments to the Saskatchewan Development Committee, and I'm wondering whether, in choosing the members to the Saskatchewan Development Committee and in the appointing of the representatives to represent labor, you in fact asked or were in consultation with the Saskatchewan Federation of Labor in so far as getting appointments to the Saskatchewan Development Committee.

HON. MR. DEVINE: – I had the opportunity to meet with the Saskatchewan Development Committee and I believe it's the first time in the history of this province, and perhaps in the history of Canada, where a premier has gathered people in an advisory capacity and a development committee from labor, education, business and government.

The first representative of labour is the immediate past president of the Saskatchewan Federation of Labor – a position elected by labor – who is providing a tremendous contribution to that committee. The second is Mr. Frank Hartman, and if Mr. Hartman from Saskatoon is not well-respected by labor, it would be news to me, because he's represented labor for years and years and years and is involved in the city of Saskatoon in terms of development and economic development. Both those individuals, and as well, I would expect, future individuals that from time to time may be on that committee from education, labor or business, will be well respected by their respective communities.

SOME HON. MEMBERS: – Hear, hear!

MR. KOSKIE: – As a supplementary, Mr. Premier, I would like to know whether it was the recommendation of the Saskatchewan Development Committee to send the Minister of Industry and Commerce over to Europe – to England to sell coal to Newcastle, to have the minister sell steel to the Ruhr Valley in West Germany, and to sell potash to the Russians?

HON. MR. DEVINE: – Frankly, Mr. Speaker, the first meeting of the committee generally

dealt with identifying opportunities and identifying constraints to development in the province of Saskatchewan. I can frankly say one of the first things they addressed (and it came from every person in that room) was to correct the image of Saskatchewan that had been presented for the last 25 or 30 years: that this place was indeed not open for other Canadians or open for business. In fact, people . . . (inaudible) . . .

SOME HON. MEMBERS: – Hear, hear!

HON. MR. DEVINE: – And it had nothing to do at all about advising the minister of economic development and international trade to go abroad.

REPORT OF COMMITTEE

Public Accounts Committee

DEPUTY CLERK: – Consideration of the first report of the standing committee on public accounts.

MR. SHILLINGTON: – Thank you very much, Mr. Speaker. At the conclusion of my remarks, I will move, seconded by the member for Saskatoon Mayfair, that the report of the standing committee be concurred in.

I want to say that the report which we are discussing marks an important reform in public accounts in Saskatchewan. I am also going to say before I sit down that I am personally disappointed that the reforms were not carried to their logical conclusions – the conclusions urged upon us by members opposite when they were in opposition benches. Notwithstanding that, the reforms, which are proposed in the report, are worthwhile. The opposition members will be voting in favor of the report for concurrence of the report.

I may say we adopted some but not all of the recommendations. I gather the reports are coming just in time. Perhaps the pages will be good enough to give the mover a copy of the report early in these proceedings so I will have what everyone else is looking at. I finally have it.

Some of the reforms I'm going to be referring to rather quickly. Recommendation no. 3: public accounts committee be allowed to meet when the legislature isn't in session or when the legislature is prorogued. This will ensure that the public accounts committee has adequate time to thoroughly discharge its duties. That was not a problem this year because we did meet intersessionally, but it may be a problem when the session starts September 1 and ends at the end of May. This allows the committee to complete its work and make sure that all of the accounts which I referred to are exhaustively examined.

I gather that the Minister of Finance is going to be bringing forth legislation which will establish in a legislative sense the auditor and the audit office. I'll be having some comments about that later on. I have not foreseen that legislation. I don't know its contents. I will be making some suggestions as to what it might contain. I hope that some indications which we had in the public accounts committee are not accurate. I would hope that the legislation will indeed go all the way in guaranteeing the independence of that office. I'm quite sure members opposite do not want anything other than a legislative auditor who is independent. I just hope the legislation fully reflects that.

I may say, as a matter of practice – I'm sure members would expect nothing less – recommendation no. 6 will certainly be adhered to. The public accounts committee will concentrate its attention on significant issues. We will not, as some public accounts members have done in the office, concentrate on trivialities. We'll be dealing only with the major issues before government.

I see the member for Rosthern hooting. I don't know that he has been a particular offender of that in the past, but certainly that will be the direction in the future. And, of course, the major change is that the public accounts will be open to the public.

SOME HON. MEMBERS: – Hear, hear!

MR. SHILLINGTON: – That, however, I may say, is something of a Pyrrhic victory because the legislative auditor was not given the mandate that he . . . (inaudible interjection) . . . The member for Turtleford will give you a lesson in Greek history while I am trying to make these comments.

The greatest disappointment was that the committee did not adopt comprehensive auditing and did not expand the role of the legislative auditor to include comprehensive auditing. The members opposite made a great fuss and furor when they were in opposition. I will, if members opposite want, quote from *Hansard* some of the sterling comments you people had. I may say that I think that it's the kind of thing that is needed to re-establish confidence in government and I think that's not being overly dramatic.

I think that the public is cynical about government, but not because they don't believe that government establishes appropriate goals. I think people are cynical about government because they believe government isn't effective in meeting those goals. I don't think people are particularly cynical about our role as legislators. I think they believe, by and large, that we are able to define what the goals of government should be. We may disagree, but I think people feel that, by and large, the legislative process works much as it should. I think the cynicism of the public has to do with the other end – how the money's spend, it's effectiveness, the efficiency with which programs are met – and that's the very kind of thing that comprehensive auditing would reach.

I want to note, for the benefit of members, that the committee did not turn down comprehensive auditing, did not say no to comprehensive auditing . . . (inaudible interjection) . . . I'm afraid that is the case. They deferred the matter for one year, and I hope that means what it says. I hope there will be an honest consideration of this matter in a year's time. I may say that I'm not personally optimistic, but I hope I'm wrong . . . (inaudible interjection) . . . I hope you people do. You campaigned on a promise of open government, of efficiency, I hope you do something tangible to try to meet those goals. Comprehensive auditing would go a long way toward meeting the kind of election promises you made, and people took you at your word. I hope their confidence was not misled and I hope that comprehensive auditing will become a fact in this province . . . (inaudible interjection) . . . No, I wouldn't want to embarrass him. He may hold that against me next year when I urge upon him the consideration of . . .

Some members may not be fully aware of what comprehensive auditing is. That may be me as well. Let me for a moment try and relate to you my understanding of what comprehensive auditing is all about.

To do that you have to begin by understanding what the legislative auditors' existing role is. Let me quote from page 73 of the orientation . . . (inaudible interjection) . . . I'm going to get to 78 in a moment, where it talks about the guaranties necessary for legislative auditors, but at the moment I want to refer members to page 73. I asked the question:

I'm not sure I do understand, Mr. Lutz. At the moment, your role is restricted to ensuring that money, which has been spent, has been authorized by the legislature and that it hasn't been spent on anything not authorized by the legislature. Is that oversimplifying it?

MR. LUTZ: – No, that us the second element of my role to which I address my remarks, Mr. Chairman. The first role was to attest to the fairness of the financial statements of government. That's the attest function. The second role I perform is the examination of internal controls which is what you are speaking about now. I have these two requirements to do these two things in legislation. I do these now.

Perhaps the best description of what comprehensive auditing is about occurs in a report to which I will be referring. In 1977 the legislative auditors, at a conference, set up the Canadian Comprehensive Auditing Foundation. They began the process, but it was not actually set up until 1980, but it was begun in 1977.

One of the first acts of the Canadian Comprehensive Auditing Foundation was to commission a study, done by Mr. Kelly and Mr. Hanson. I will be referring to his study, and I will quote, at the moment, from page iii:

Comprehensive auditing is designed to meet the special characteristics and requirements of government and enterprises owned by the government. It can ready be applied to other organizations funded in whole or in part from the public purse and to not-for-profit organizations . . .

In the climate of the mid-'70s it was already clear that a simple attest and compliance function was adequate. What was required was an assessment of the value that was being received for the money that was being spent. This involved a systematic expansion of the concept of identifying and reporting on unproductive expenditures. It was already a part of the accepted role of the legislature.

Comprehensive auditing is designed to review and report on the management of financial, human and physical resources so as to attain the greatest possible degree of accountability in the expenditure of public funds. This includes assessing the adequacy of management systems and controls to ensure that due regard is being given for economy, efficiency and effectiveness, the very things I think the public are bringing into question today. The matter was simplified and put in context by Canada's current auditor general. He spoke to us at the orientation seminar. I though he put it rather well. He described comprehensive auditing in the following fashion, and he was referring to it as value-for-money auditing:

I guess the point of this additional value-for-money mandate is the concern which might be analogous to a fly in the soup. In a restaurant, if you have a fly in the soup, it's a serious problem. Whether you're proposing to consume it, or you've already consumed it, it's an irritant. It's a small thing. It's an individual, discreet situation. That's a problem that's reportable to the

manager. If you had an attest audit, or the traditional attest and authority audit in the legislative sense, you would have a comment from your auditor telling you there was a fly in the soup. But I think what the public really wants to know is what's wrong with the kitchen. How come there's a fly in the soup? So if you want to use a frivolous analogy, I think we're talking about flies in the soup and the quality of the kitchen. And what I propose to deal with for comprehensive auditing is the quality of the kitchen and not the fly in the soup.

In other words, dealing with the forest and not the trees. As I say, I sincerely hope that comprehensive auditing is adopted. I think if it were, it may go a fair ways toward allaying the cynicism which the public has of governmental institutions, and I urge that upon members opposition next year.

I want to deal with some other recommendations that I would have preferred to have seen in the report, and I am again referring to the Kelly-Hanson report. The Kelly-Hanson report was in fact a series of 67 recommendations followed by an explanation for each recommendation. I would have preferred, I may add, to have seen recommendation no. 50 that says legislation clearly establish auditors as officers of the legislature. That was moved in the committee. It was not passed by virtue of the government majority on the committee, and I'm frankly confused. It would surprise me to learn that members opposite are going to establish a legislative office in legislation and have him other than as an officer of the legislature. But the vote was put in the committee and the government members specifically voted down that proposal which would have made the legislative auditor an officer of the legislature.

Again, it goes directly to the independence of this office without which the office is worthless. I would refer to item no. 17, recommendation no. 17, which was again turned down by the government majority on the committee. It recommended that research assistance be provided to the public accounts committees. To believe the role of this committee is important (and I happen to) as I say, it goes directly to one of the illnesses of government – the public cynicism – and research assistance would go a long way toward making this a more effective committee. And that again was turned down by government members.

49 – I had a passing interest in this recommendation when I read it.

49. Statutory provision be made for auditors to make special reports to the legislature on matters of urgency and importance.

I had something of a passing interest in that because I asked the provincial auditor to in fact make a special report on the purchase of some water purifiers during the summer. He refused to do so, and given the nature of this report and the comments herein he may well have been acting properly within his traditionally understood mandate. I think the purchase of those water purifiers was illegal. I intend to take it up again in estimates, but I think it would have cleared the air had the legislative auditor been able to give a special report to the legislature; and I would have liked to have seen that.

I hope this is something else that the committee will reconsider.

57. Legislative provision be made for a special report to the legislative by auditors in whose opinion the resources provided for the operation of their offices are insufficient.

The present Minister of Finance was shrill – I think that's not putting it too high – in his criticism of the former administration for not providing sufficient resources for the legislative auditor. We have here a means by which that problem could not be redressed but at least it could be brought to the attention of the legislature. Again the government members in their wisdom felt this was not a recommendation with which they could live, and so it was turned down.

56. Provision be made for review of the auditor's budget by a representative group of legislators before it is presented to the House for approval.

Again, this was turned down. Many of these recommendations which were not proceeded with will go directly to the independence of the legislative auditor. The office is worthless unless it is independent. The very nature of the legislative auditor's role means that he will be in conflict with departments and the ministers who head them.

Members have referred to some comments that I made on page 78 at the orientation seminar. The language used therein may have been unfortunate but I stand behind the substance of what was said. A legislative auditor would not be doing his job if he did not ruffle the feathers of the departments and the ministers who head them. The ministers would be a great deal less than human if they didn't react to that. I was simply being realistic when I suggested, as I did there, that the legislative auditors' salary ought not to be set by cabinet. And in other respects, the resources which the legislative auditor has ought not to be the prerogative of the government. It ought to be the function of this legislature to set that.

Many of the recommendations which weren't proceeded with go directly to the independence of this office. I hope that it was a misunderstanding of members on the committee. I hope we are not going to see the traditional independence, which the legislative auditor has enjoyed, in some way curtailed or in some way infringed upon. Without this independence the whole operation is just simply a waste of money.

Just one final note on the matter of comprehensive auditing. It is not only unfortunate, but it is highly illogical. The committee now has the mandate to do legislative auditing – sorry, to do comprehensive auditing – and always has. The traditional role of the committee has included a responsibility to assess and report to the legislature on matters relating to the administration, including regard for efficiency in the acquisition of goods and services; regard for the efficiency in operations; and the effectiveness in programs in achieving their stated objectives.

So the committee has the function right now, and indeed has the responsibility, but without giving the legislative auditor a corresponding responsibility there is simply no realistic way that the public accounts committee can discharge the responsibility given to it. So it is not just unfortunate, given the public mood out there, it is also highly illogical to give the public accounts committee the responsibility to do with what is now referred to as comprehensive auditing, but give them no tools to do it with.

Anyone who has sat on this committee will know that what the committee does by and large is discuss the report of the legislative auditor. If the report of the legislative auditor is restricted in the traditional way then there is just simply no way the committee will discharge this responsibility which it has always had, and which is needed now more so than ever in our past.

So with those words of hope that government members may reassess their position in a future year, that we may expand this committee to expand the role of legislative auditor to its logical extent, I will move, seconded by the hon. member for Saskatoon Mayfair:

That the first report of the standing committee on public accounts be now concurred in.

MR. GLAUSER: – Mr. Speaker, there was one quote that the chairman of the public accounts committee made. That was: “Is there a fly in the soup, or is there something wrong in the kitchen?” I think that the Minister of Finance is still trying to find out what went wrong in the kitchen.

Anyway, referring to the report, I was pleased with the notation that he made of specifically mentioning no. 4, which has to do with placing the public accounts committee in public. I think that is a forward step.

He did not, however, mention 13. It refers to the auditor being given legislative authority to obtain any information or documents required from Crown corporations, Crown organizations, or their auditors, and to conduct any further examination that he deems necessary.

Mr. Speaker, I want to read from the orientation seminar which we held this summer. It goes like this (this is Mr. Chairman speaking):

I know that the legal profession will be subject to all sorts of slurs. I’m getting my digs in. As Elwood Cowley tells the story, they were interviewing firms for accountants for the potash corporation. They brought in one firm to be interviewed for the job and said, “What’s two and two?” The firm said, “Our firm can handle that – four.” They said, “Thank you, very much. We’ll get in touch with you.” The next firm came in and was asked the same question, “What’s two and two?” It said, “Oh, our firm can handle that; it’s four.” The third firm came in and was asked, “What’s two and two?” It said, “Well, what figure did you have in mind, Mr. Minister?” The question is: who got the job?

Let’s talk about another item here. If you’re worried about the auditor’s independence, then here again it’s Mr. Lutz who is being questioned and Mr. Chairman has this to say:

I will say this: I am not sure Mr. Lutz can. I will go on to say that I think there is a problem with having the cabinet ministers set the resources and salary. You do sometimes ruffle some feathers. I recall discussing resources and salaries with the provincial auditor and some of the ministers saying, “Hey, that’s the son . . .” (and I won’t use that language in this good House). I think there is a problem. A provincial auditor or an auditor general who is aggressive may find himself with some enemies at the cabinet table. I think it is inappropriate for them to be setting salaries.

Now, I would like to deal a little bit with the comprehensive audit. First of all, we all know that the federal government conducts comprehensive audit. And here again the chairman, a proponent of it, has some misgivings with this report because it isn’t all inclusive. But, by the way, there are 69 items in that report, not 67, 36 of which we are proposing. That is not a bad start for having nothing perhaps to begin with. So, I’m

repeating what Mr. Chairman says in this seminar again:

I am going to exercise the prerogative of the Chair and ask the last question. I think then we should move on to Bill Radburn's presentation, and let this portion finish by noon so the officials can go.

I want to repeat Bob Andrew's question of yesterday. He asked, "Where's the proof that it's working?" (Now this is talking about scheduled comprehensive audit.) I think Mr. Andrew certainly reflects the general public view. Comprehensive auditing has been in full bloom in Ottawa for a while. At least it has come into full bloom. Certainly, the perception of the folks in the bar at the Lunn Hotel in Canora is that Ottawa hasn't become better in the last few years, it has become worse. (And look at what we can look forward to as a deficit – it just keeps climbing and climbing, it's up to somewhere around \$26 billion now.) That may be an inaccurate perception but that is the perception out there in the Lunn Hotel.

AN HON. MEMBER: – Who said that?

MR. GLAUSER: – Your chairman of the public accounts committee, the hon. member for Regina Centre. I think that will conclude my remarks, Mr. Speaker. Do I have to provide the seconding to that motion or is that . . .? That's done.

HON. MR. ANDREW: – Mr. Speaker, I'd like to make a few comments with regard to the first report of the standing committee on public accounts. I've had some experience over the years, Mr. Speaker, trying to see some changes made in the public accounts committee.

I think if you go back and look at the history of the public accounts committee in this province, we had a committee that by and large was an open committee, I think leading up to around the time of Ross Thatcher coming in as premier of the province of the province in 1967. Some changes were made around that time at which point the committee became a closed committee. Some people have advocated that that matter be opened up, that the committee of public accounts be reformed.

I have to commend the members of the committee for sitting down and addressing the questions of public accounts. Always in the past, Mr. Speaker, when recommendations and changes have come out in the committee of this particular House and committees of this legislature, it has been done by committees that, by and large, sat down and worked out a system and made changes. Very often in the parliamentary process changes cannot happen or do not happen until there is a change of government, at which time those changes are more easily made. I think they're to be commended for proceeding and making these particular changes today.

I think if you go back and listen to the report of the provincial auditor over the last three or four years, the one recurring and most often referred-to criticism of the system by the provincial auditor was a sense of independence. A sense, Mr. Speaker, not only of independence but of perceived independence.

The reason for that, the auditor believed, Mr. Speaker, was the fact that his salary would be set by cabinet. He requested always that the salary of the provincial auditor somehow be tied to something beyond the cabinet's jurisdiction, tied to a senior deputy or to the deputy down here or down here. In that sense they could not come to the

situation of the cabinet minister saying, "No, I don't like the way that fellow is performing. We're not going to give him a raise this year." I'm not suggesting that that happened during the previous administration, but the auditor indicated that that lack of independence was there, that perceived lack of independence was there. I would hope that we will see changes in that legislation, tying his salary somewhere other than at the discretion of the cabinet minister. That's number one. I hope that is addressed.

Number two: our intention is to bring in legislation (and we will certainly review the report of the standing committee on public accounts) that deals with the provincial auditor in separate legislation. That is something I have advocated very often in the past; it was always resisted by the previous government, I think it is very important that the auditor not have his jurisdiction and power housed in The Department of Finance Act but have his own separate legislation. I would hope to see changes in that in the spring session. We will be bringing in a bill to accomplish that.

The third situation which the committee recommends (and should be commended for) is this. For a long time the province of Saskatchewan had the only public accounts committee in the entire country, if not the entire Commonwealth, that sat behind closed doors. There was no reason for it, Mr. Speaker. Often the argument advanced was: well, the politicians are not appearing as witnesses before this committee, but the bureaucrats are. It is not fair that they should be open to questioning by the politicians in front of the camera and the media. That argument lacked no credibility, Mr. Speaker, because that is exactly and precisely what happens in every other jurisdiction in this country. Politicians do not appear as witnesses before the public accounts committee but the bureaucrats do. The public servants do. The reason, Mr. Speaker, for that is, quite frankly, that public accounts committees, to be successful, require the putting aside of partisan politics where possible. Obviously, we are all politicians in this institution, and that's a difficult thing to do.

But the successful public accounts committees across this country, particularly in Ottawa, Ontario, and to a lesser degree in some of the other provinces, have been very successful in looking at that committee not as a place to earn political points, but to look at that committee to be able to accomplish something in the control and the management of government. I have always suggested, Mr. Speaker, the best politics of the public accounts committee is the fact that it was always closed to the media or the fact that it was never allowed to open up and deal with questions on a more open basis and a more approach basis other than strictly partisan politics.

My advice to the present public accounts committee is that if you lead it to straight partisan politics, you will go no place, your committee will accomplish very little. Mr. Speaker, I know you also sat in that place as a chairman of the public accounts committee.

With regard to the responsibility to the legislature, I would not have a comment without studying the implications of that particular recommendation or lack thereof. I can say, as a member of the board of internal economy, both under the previous administration and under this administration, the problem that we saw, and the recommendation came from the previous board when I sat opposite as a member of the opposition, was that it was a new venture for us. What that was doing was, the members of the legislature were sitting and preparing the budget and deliberating on the budget of the Legislative Assembly and of the library. In our view, for the first year or so, we should restrict ourselves to the budget of those two particular departments, and see how we

worked and how we accomplished it. Our view at that time was: were we successful there? Did we do a good job there? Then we would see us venturing off into other areas. Those other areas were: number one, the office of the ombudsman, followed by the office of the provincial auditor. I would hope that that is the track taken by the board of internal economy. So, I question with regard to the whole idea of responsibility to the legislature.

Then we come to the question of the comprehensive audit. It's an area that I studied a substantial amount, Mr. Speaker, when I was in opposition. Quite frankly, I, at that point in time, indicated support for the concept of comprehensive audit. But let me come down and explain around the situation which led to some dispute within the public accounts committee when I sat there. The question, Mr. Speaker, was not a question of do we have, or do we not have, comprehensive audit in Saskatchewan. That was not the question. What the question was, Mr. Speaker, was this: should we be allowed, as a committee, to call forth witnesses? At that point in time, J.J. Macdonell, the provincial auditor in the province of Ontario, and the late Robert Andras, who was the minister of treasury board when this whole concept was brought into Ottawa . . . Should we have the right, as a committee, to call these people before the committee to hear the evidence for and against the comprehensive audit? That was what the question was, Mr. Speaker? The reason for the dispute was not whether comprehensive audit was right or wrong. The reason for the dispute, Mr. Speaker, was the members opposite at that time, members of the government, said no. Not no to comprehensive audit, but no, we didn't want to hear, no, we didn't want to have witnesses for and against, because no, we didn't even want to address the question. That was the fundamental problem, Mr. Speaker. That was the fundamental question we dealt with in the public accounts committee.

So when I say, Mr. Speaker, that this committee has moved, it has moved a long way in the area of public accounts. I think they should be commended for it. It is my hope that in the future this public accounts committee will service this legislature properly, that it will grow, will expand, will be number one – the best public accounts committee in the entire country. I am confident that the people there, Mr. Speaker, from this side of the House, will produce and deliver on that promise. I believe they should be commended for what they have done today.

SOME HON. MEMBERS: – Hear, hear!

MR. KATZMAN: – Mr. Chairman, this first report coming in today on public accounts has some interesting changes. While I sat in this House as a third-party member and then a member of the official opposition, I was on public accounts. The former government would not accept any changes. They wanted everything done so that they could hide, by their majority, everything that the opposition might find. They weren't interested in opening up the press. They weren't interested in discussing ideas about comprehensive auditing or listening to witnesses, as was just indicated by the Minister of Finance. They were only interested in one thing: because the rule said they had to have public accounts, have it and get it over with as quickly as possible. And that's the way they attacked the problem.

When it came to meeting while the session was in adjournment you could never get an agreement from the former government – ever. They always found some piddly reason why they couldn't meet. They didn't want to. The first time that the new government, our government was called to allow it to meet between, we did. We pushed for that in opposition. We became government, and we allowed it to happen. We spoke, we

performed, we did. We argued about the possibility of having it open to the public. We were refused continually; not interested. But it's awfully interesting to notice that the moment you fellows are finally in the place you belong – in opposition – you want it. And you know something? We agreed to allow it to happen. What's going on here? Well, I think we're just a little smarter than you guys are. We're willing to accept change for the betterment of the parliamentary system. But in government you weren't willing, and that's why you sit on that side of the House.

You know the changes that the member – the mover and seconder – spoke about. We made 36 changes as is indicated, out of 69. That's not totally true, because of that 33 we did not make, some were double-ups on the other 36. So we approved a lot more than what the numbers indicated, because some of the motions that were in the Canadian public accounts committees and legislative auditors' statement were duplications, and we chose the better of the two in some cases and moved that way.

But the point that I'm making to the mover: you are finally getting your head out of the sand. In government you had your head in the sand; you wouldn't accept change. We on this side took government and have made changes. As the Minister of Finance said, we're willing to look at others down the road, but don't ask us to do everything that you refused to do in all your years of government. We've made a lot of changes. Let's move one step at a time, because when a baby is born he learns to crawl, then walk, then run. We've got to go over the same steps and make sure.

As he indicated, I also sit on the board of internal economy, and yes, there is the problem of the auditor and so forth. But the former board – which your government had four members on – said they wanted to move one step at a time on this one, was a sound suggestion. Once again, we have followed that suggestion, in this case where we are doing the library and the Legislative Assembly first and getting through the system to make sure it works. If you are knocking that system, that's fine. Go ahead and knock it. But there is change coming for the betterment of parliament and the freedom of information for the people of Saskatchewan, and that's important. And that came about under a Conservative government, not the NDP who refused to let the information get out to the public.

SOME HON. MEMBERS: – Hear, hear!

MR. SHILLINGTON: – I just have a very few brief remarks. I want to say that at the beginning I was surprised by (may I call it) the tenor of the remarks of the vice-chairman. I have been in politics long enough to expect that personal attacks are a part of politics. I expect it and I don't particularly complain when it happens. It is unfortunate, though, when it happens in the context of the discussion of something that should be as non-partisan as public accounts.

I want to defend, I may say, someone who isn't here to defend himself, and that's the former provincial secretary, Elwood Cowley.

AN HON. MEMBER: – You put it on the record.

MR. SHILLINGTON: – I said it in the committee. It was said as a joke; it was understood by the vice-chairman to be a joke; I recall him laughing at the time it was said. It was not intended to be a serious description of how the chartered accountants for the potash corporation . . . I think the vice-chairman understood that, and I think it is unfortunate that in this context he should choose that sort of method to attack the ideas which I was

putting forward to guarantee the independence of the legislative auditor.

As I say, it is unfortunate that the vice-chairman that the vice-chairman did not conduct himself, here in the House, as he has in the committee, because in the committee he has made a valuable contribution, and he has been, by and large, non-partisan. It is unfortunate that, here in the House, he should show a side of his character that I frankly haven't seen before. I hope it was an aberration.

I may say, as well, with respect to the member for Rosthern, he had no such caution when he was in opposition. He was in favor of comprehensive auditing and I am reading from *Hansard*, May 14, 1981. He is setting out the changes he thinks should be incorporation.

Thirdly, it is time we decided if we are getting value for our money when we spend it or if we are going after strictly political partisanship . . .

So you were in favor of it. And, the member for Rosthern didn't see any particular reason to be cautious when he was in opposition. I say to the member for Rosthern: you won't understand the need for comprehensive auditing any better if you listen to all the public servants because they haven't got a very broad interest in seeing comprehensive auditing brought in. They often think of comprehensive auditing in the light of Bonaventure affair – exposing their weaknesses.

And who among us hasn't made a mistake somewhere? Who among us would welcome our mistakes hung up to public view? I admit the member for Souris-Cannington is a big fellow, but I don't think he is quite that big. Who among us would want all our mistakes held up?

If you listen to the public servants you won't understand the need for comprehensive auditing nearly as well as you did when you left the opposition. I said again, half in jest somewhere in that transcript, that in politics it seems that the roles change but the actors never do – the actors change, but the roles never do. That seems to be the case.

I hope the government members opposite seriously consider some of the comments they made when they were in opposition. I hope they seriously think about whether or not they are going to get advice that is in the public interest from public servants. From what you are talking about, it is reviewing the efficiency and effectiveness of those public servants' work. I want you to think about whether or not you should be looking only to your public servants for advice. My suggestion is, you're not wise if you do.

With those few words, I again urge all members to vote in favor of the report.

Motion agreed to.

ORDERS OF THE DAY

MOTIONS

Resolution No. 3 – Rent Control

MR. SHILLINGTON: – Thank you very much. Rent controls have been something of enduring interest of mine. I have a riding in which I suspect that I have the highest percentage of tenants of any member sitting in this legislature. The member for Saskatoon Centre may approach the mix that I have, but I suspect that by a fair margin I would have him beat.

Rent controls were introduced in 1975 and when one talks about expanding and strengthening rent controls is worth while to spend a moment just talking about where we have come from.

In 1975 I was a candidate in the June election. In 1975 I recall rents escalating rapidly. I also was a tenant. I recall getting four notices within one year. The notices had to be three months in advance. You had to get three months notice of a rent increase. I remember in 1975 getting one notice for a rent increase before the other one had come into effect – just piling one on top of the other. There was a rapid escalation of rents, and what that allowed some unscrupulous people to do was to buy apartment blocks, increase the rents, and as you increased the rent you increased the profit from that block. You thereby instantly increased its value, and you used to equity on that block to buy another one. With a relatively insignificant sum, some rather large holdings of apartment blocks were built up in 1975.

I recall being the subject of bitter criticism by a couple of such landlords when rent controls were brought in in 1975.

AN HON. MEMBER – Were you the minister?

MR. SHILLINGTON: – I was indeed the minister of rent controls. We had, frankly, agonized over the problem, and we finally decided that we should move. About the time that we made that decision, wage and price controls came in. Among the things being urged on the provinces by the federal government was rent controls and that made the final decision for us. So we brought in rent controls.

The features at that time were first of all, a rollback of all rent increases in the last six months. I am not sure in retrospect whether that was wise. It certainly was the subject of some extremely bitter criticism by landlords.

I may say as something of an aside that the only people in 1978 who put up Conservative signs in Regina Centre were all landlords. I knew each and every one of them, and they were all landlords who felt they had a bitter grudge. It wasn't true in 1982. I may say the current employee of the Department of Agriculture managed a bit better than that. I think he probably had 24 or 25 signs up. He probably doubled the number of the effort made in 1978.

I will be looking forward, in agriculture estimates, to dealing further with the activities of my opponent. I am curious to know what salary he is making and what contribution he is making. But I am getting off the subject, Mr. Deputy Speaker, well off the subject.

The other thing we did was introduce rent controls with across-the-board increases.

AN HON. MEMBER: – A family affair?

MR. SHILLINGTON: – No, I am sure it is not a family affair. I am sure this is just an unfortunate coincidence.

What we did in 1975 was to introduce across-the-board increases. Everybody in the province got 9 per cent or 10 per cent each year, as the case may be.

We also exempted new buildings. The idea at the time (and this, I may say, was the least successful of our efforts in rent controls) was to encourage the construction of new office buildings. The theory was that rent controls were brought in because of a critical shortage. If we exempted new apartment buildings, new apartment buildings would be built. We would work our way out of the shortage and we could repeal rent controls. That just simply did not work.

New apartment blocks were not built in the numbers that were needed. A fair number have been built but not the numbers that were needed. The vacancy rate at the end of October is virtually identical to what it was when rent controls were brought in seven years ago.

I recall, when I introduced the bill, the vacancy rate in Regina was six-tenths of 1 per cent. I just happened to note that, at the end of October, CMHC announced a vacancy rate in Regina of six-tenths of 1 per cent. So, that effort did not work.

I think there are a number of reasons for that. In part, it is due to landlords' inherent dislike of rent controls. One can understand that. They no more like rent controls than wage earners like wage controls, or businessmen like price controls, I think many of them feel that they have been unfairly discriminated against. Rent controls were brought in in an era of wage and price controls. Wage and price controls have been repealed but rent controls remain. They feel themselves discriminated against.

The problem with that is that there is simply no solution for the tenant who says, "But the vacancy rate hasn't changed; you haven't solved the problem." This has been a solution. It has, at least, stemmed the increase in rents, if it has not cured the basic problem, which is a shortage of rental accommodation.

We introduced, I think, only one change in the seven years. That was: instead of across-the-board increases, now every apartment block has to apply individually for an increase. I may say that that feature has worked out much better than I thought it would. There has not been near the trouble with getting permission that I thought there would be. It has worked out not too bad.

Evaluating rent controls from the point of view of the tenants is pretty simple. When I go around my riding at election time, the most frequently asked question . . . (inaudible interjection) . . . I tell you. I have had some opponents who I wished had campaigned a lot harder than they did. I have had some opponents who I just wished had campaigned a little harder, and I wished they were a little better known.

When I go around my riding during an election campaign, the most frequently asked question is: are rent controls going to remain? That is the most frequently asked question. It is not an easy question to answer, but I think, until we find a solution to the problem, rent controls are going to have to remain. I would be surprised if Conservative

members (however oblivious to reality they may be), who sit in city seats, would want to repeal rent controls in the current context.

I suspect whatever we might say to the landlords at Tory conventions . . . I was interested to see a copy of a letter received from the Regina Residential Property Owners Association thanking the minister responsible for his kind words at the PC convention on November 9. I was interested to see that. He thought he had got a good hearing. I was interested to see that he thought he had got a good hearing from the minister.

I suspect that you told the landlords at the PC convention, who are on common ground, that rent controls are going to remain unless and until we are able to do something about the vacancy rate or find some other solution.

Generally, I think, another fear which we had when rent controls were brought in . . . I think apartments have not degenerated in quality. I think, by and large, the quality has been kept up, with some exceptions. There are always some landlords who will maximize their profit by letting a block run down. That's short-sighted, but it happens. By and large, I think landlords have made a buck. They have not made as much money as they think they should have. Very few of us ever do in business. By and large, I think they will admit that they are operating at a profit.

The problem has been, I think, in the exemption of the new blocks. It has now got to the point where very large areas of this city have no form of rent controls at all. The member for Regina North West, the member for Regina South, probably the member for Regina North East, and probably the member for Regina North will have large numbers of blocks that are uncontrolled. And there is a very considerable discrepancy in the rents. The difference in rents between the blocks in my riding, which are almost all controlled – some exceptions, but I think I could count them on both hands – and the blocks in Regina North West or Regina North East is very considerable. It's 100 per cent. A suite which rents for \$200 in my riding may well rent at \$400 to \$500 up in the northern part of the city. It's not easy to tell the difference in the quality of the block.

Some of those people complain that they face a decreasing quality of services, as the landlords feel some constraint in widening the discrepancy. They maximize profits; they decrease services. The tenants tell me they find that washing machines and dryers have become coin-operated. They find that they have to pay for parking and have to pay for electricity. I think the most galling of all to the tenants is that there is simply no bargaining power, and rents have been increasing very, very rapidly in the last year or so. They have simply no bargaining power at all. If you get a rent increase, you haven't much choice but to accept it, because you don't dare take the challenge: if you don't like it, move. There simply isn't, in this place, any place to move to.

One proposal which I think would work if we had a government with sufficient courage to do it – and I'm certainly not accusing this government of that – but if we had a government with sufficient courage to do it I think it would work to extend rent controls throughout the entire length and breadth of Regina and Saskatoon, and to introduce a fairly massive public housing program, and it would have to be. I think it is fair to assume that if all buildings were under rent controls there would be even fewer apartment blocks built. We may well have come to the time when we should be recognizing what many countries – many Scandinavian countries – now recognize, and that is that housing should be largely a public responsibility. But we're not there

yet. I don't suspect that you people are there yet.

I have a more practical proposal for the ultra right-wing government that this province has now. I have a more practical proposal. Part of it comes from an alderman in Regina South. My proposal is that we should extend rent review to those areas of the city which are not under review. The members may be aware that rent review gives the rentalsman exactly the same power as rent control.

The difference is in the responsibility. Under a rent review the tenant has a responsibility to come forward and complain. If he does, then the rentalsman has exactly the same powers and responsibility that he does under rent controls. The problem of course with rent reviews is if you have a shortage, tenants may be reluctant to come forward, because there is no place else to go. It is probably, however, preferable to nothing at all. There doesn't seem to be any intermediate step between the type of rent controls we had in the pre-1975 blocks and nothing at all. So rent review is probably better than nothing at all. Part of my proposal is that it should be extended to all areas of Regina and Saskatoon.

The rest of the proposal is not really original. I must say that it in part comes from an alderman in Regina South, Ted Cholod. I wasn't there directly at city council, however, I am told he recommended to city council that each year rent controls be brought forward one more year. That is: this year we would bring in those apartment blocks built in 1976, next year we would bring in apartment blocks built in 1977 under rent control. Thus what you do is at least contain those blocks which are not subject to rent control. You at least contain the problem if you didn't entirely eradicate it.

I have seen reports from some professionals in the housing industry who state that this might be workable. The reports I've seen suggest that it takes about a five-year period for owners of apartment blocks to get the rents settled, and to recover some of those initial costs which are not always foreseen in building an apartment block. After five years you can impose rent controls and not do nearly the damage you'll do to the bottom line as if you oppose them initially. And I may say that this is not being done in Manitoba. Their gap is four years. To do that we would somehow or other have to move forward faster than one year at a time.

I'm waiting with bated breath for 1985 when we will have an opportunity to do some of these things.

I urge them upon you now if you want to forestall that evil day. I suggest to the members opposite that if we were to introduce rent controls in other areas of the city, in the areas of the city not now covered by controls, if we introduced rent reviews, if we're to start moving rent controls forward one year at a time, we might go some substantial distance toward bringing a greater degree of equity into the housing market.

In summary, then, I want to suggest to members that shelter is a basic human right. For those who live in uncontrolled apartment blocks, it's a right that cannot be described as unfettered, and you can't describe it as untarnished. It's a right which in some cases is highly qualified. We have the means before us to . . . (inaudible) . . . introduce rent controls do not apply. We would go some distance toward bringing equity into the housing market.

I therefore move, seconded by the member for Quill Lakes:

That this Assembly urge the Government of Saskatchewan to strengthen and expand rent controls in the province of Saskatchewan.

MR. KOSKIE: – Mr. Deputy Speaker, I would like to make a few comments in respect to the motion. Many of the areas have already been covered by my colleague.

I want to say that the situation in respect to the vacancy rate in the two major cities is of a major concern to the tenants. This morning I heard a survey that was done by LePage Real Estate company, and they indicated that office space in the city of Regina has increased. There is an 11 per cent occupancy – vacancy rate rather – in office space. They indicated that there is three times the amount of commercial space available as was available a year ago. Their survey indicated that in respect to rental residential rental units, there was virtually no vacancy rate whatsoever. I want to say – and I know that the minister is likely to enter into the discussion – but I want to say that the administration of rent controls, and I'm fully aware of the difficulty in the administration of it, but I want to say that if one wants to get a policy in order to remove rent controls, then there is but one way to go. And that is to introduce a program to produce sufficient rental units so that a vacancy rate does exist and the tenants, in fact, do have an opportunity to shop rather than to be held up to whatever the landlord wishes to extract.

We have, as my colleague indicated, in Regina, rent controls. But that goes up to 1975, and from 1975 there is no control, and as a result of the time lapse from when it was introduced in '75 until now, we find that in the city of Saskatoon a year ago about 44 per cent of all the units were outside of rent controls. That's likely larger today. We found in the city of Regina that somewhere in the neighborhood of 32 per cent of the total rental units were not under control.

And I want to say that we, as a government, were prepared to put forward a proposal to meet this situation. And our proposal was to introduce, as we did in our last budget, a massive housing and apartment building program across this province. As members will know, if you examine the budget, some 4,100 units were scheduled to be constructed in Saskatchewan. With the introduction of the MURB program by the federal government, it was estimated that some 1,500 units would be built and come on stream. In addition to that, through Sask Housing and through the private sector, we were prepared within that budget to construct additional apartments in the cities of Saskatoon and Regina. So certainly the solution lies in addressing the question of building more single-dwelling units so that people will move out of apartments into homes and alternatively building more apartments rental units.

I want to say that that was proposal. I want to say that looking at this government's approach, we find, first of all, the members opposite were ready enough to subsidize the well-to-do members of our society in order to be elected, with their mortgage rebate program, but I want to say to them that now that they have been elected, it is equally their duty to recognize the needs of those who are unable to afford a home, who have no other accommodation, other than the rental units.

I want to say that the minister of Sask Housing announced the Saskatchewan family home purchase program and I want to say that that program is a failure. It was doomed to be a failure at the outcome. In September, the minister for the Saskatchewan Housing Corporation said that this program would assist 400 families this year and would create 600 construction jobs this year. I want to say that that hasn't happened. I don't believe that it was intended that it would happen.

In respect to building permits that were issued for about \$23.5 million in Regina for the third quarter of 1982, this compares with about \$35 million for the third quarter of 1981. And Saskatoon dropped from \$40 million to about \$34.5 million in construction. I want to say that this is a drop of 32 per cent and 30 per cent respectively during this past year in the two major cities where the problem exists. I think those figures clearly indicate the inadequacy of this new government's approach to address the problem of those who are dependent upon apartments and rental space for living quarters.

I want to say that the enormous demand upon our cities, an inadequate supply of rental accommodations, is pushing apartment rent to levels that represent a real hardship to many tenants. And I have heard from not many, but some, who have phoned and have indicated in the unregulated areas increases two or three times a year, as high as a \$70 increase at a given time.

I want to say that rent controls upon at least a portion of the blocks built since 1975 are necessary immediately to provide relief for our tenants because of the lack of a vacancy rate.

But a longer term solution to this crisis is really required and this must come in a form of a realistic housing policy that directs itself toward those in our province where need is greatest – not subsidies for the well-to-do two-income families with \$100,000 incomes. Such a policy must provide a genuine incentive for building new single family dwellings and to ease the pressure on the apartment units.

I want to say that this government has totally, totally and unequivocally, decided that they would not in any way have a policy through Sask Housing of developing a social housing program. From this light I note, and I regret, that the first step that this government took was to abandon and to eliminate one of the most effective programs which we had for lower-income people, and that is the co-op housing program of the previous government. I want to say that there is resentment by the public who are using the co-op program in order to be able to put in sweat equity, to join together in purchasing, form a co-op. It was a program through which lower-income people could, in fact, get housing. That program was scrapped by this government.

I want to say that a responsible housing policy must also create or encourage the construction of new apartments. The money allocated to new and low-income housing in our March budget, as I indicated, would have gone a long way toward easing the problem while creating construction jobs – real jobs, I suggest, instead of the imaginary ones created in building the imaginary homes so far completed under the present government's home purchase program.

I suggest a housing policy – a housing policy that meets the needs of those hardest hit by the recession – must be put in place immediately and the first step should be to protect the tenants of this province while they have a roof over their heads.

I want to say, as my colleague indicated, that recently the Manitoba government during the last election, because of the situation in Manitoba, gave the commitment to the residents of Manitoba that they would introduce rent control. And I want to say that it was desperately needed. And what the Manitoba government did was, in fact, allow only four years for new construction to be unregulated. For example, all rental units

built in 1978 and earlier will be included under the controls. In 1983, the 1979 units will be included. In 1984, the 1980 units will be included. So each year, as each year goes by, what they do is merely keep four years unregulated.

I want to say that other provinces in Canada purport to have rent control. I want to say that Ontario, a Tory-run province, indicates that they also have rent control, but in fact they are protecting the tenants in Ontario. And I want to say that as soon as the Conservative government came out of the position of being a minority government and became a majority government, the first thing they did was to so drastically relax the control that all they have, in essence, is the name of rent control without any effective rent control. And I say that because while Saskatchewan last year had around 12, 13 or 14 per cent increases under the controls, reports indicated that in Ontario the rental rates increased there 23 per cent, 36 per cent.

So I'm saying to the government that we have a real problem here, because certainly the tenants where there is no vacancy have no protection whatsoever. I'm not saying that all landlords are unscrupulous and will charge exorbitant rates. But I want to say that the tenants today, because of no vacancies and because of no policy to increase that vacancy rate by this government, in fact have no option and are required to pay any price which is demanded in the area of uncontrolled rental units. I think this is a situation that leaves the poorest of our citizens exposed.

I want to say that many of our young people are the people who are renting apartments. I want to say that many of the young people going to university are the people who are renting apartments. I want to say that under this government, also, it is many of the young people who don't have jobs and as a consequence, I am urging this government to take effective steps to further extend protection to tenants in those areas which are not under rent controls. But I think that what is vitally important is to remember that surely in a province as well established and as wealthy as it was when we turned it over to you . . . (inaudible interjection) . . . And well-managed. Surely this province can at least review our proposals which we have blueprinted for you. Surely you can take the blueprints which we left behind and solve one simply problem of providing for citizens living accommodations at a reasonable rate.

I want to say that you people are the great free enterprisers. The fact is that demand is going to be the governing factor on the market. But I want to say that when it comes to housing, any government has an obligation to see that individuals are not gouged with respect to their rental accommodation, and with respect to providing themselves with a roof over their homes. I want to say, as I have said, every indication is that this government is prepared to abandon those people and to help its rich friends, the multinational corporations, who are involved in the real estate industry.

I want to say, Mr. Speaker, that while I move this resolution, and while I know it is important to many people in the cities of Saskatoon and Regina primarily, I am less than

encouraged that this government will act on behalf of any little people, less fortunate people, of this society. I take pleasure in seconding this motion.

HON. MR. SANDBURG: – Mr. Speaker, in response to the motion of the members opposite, let me remind them and the opposition that this party, and now this government, declared that it would stand by rent control legislation, and we will honor that commitment.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. SANDBURG: – They have, in the past, used scare tactics to scare the senior citizens of this province, particularly in my constituency, and I suppose in the member for Regina Centre's constituency also, that we would abandon rent control. I know just recently many of the senior citizens in Saskatoon Centre has had slipped under their doorways photocopies of newspaper articles stating that Manitoba had returned to rent control, and hurray for them. This, in their own way, was to tell the senior citizens that this Progressive Conservative government would abandon rent control. So they are trying their scare tactics again. They haven't worked before and they won't work in the future.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. SANDBURG: – And, yes, at the Progressive Conservative convention I did reiterate that this government would stand by rent control legislation. I have said it before and I will say it again. As we know, rent control was initiated by the federal government in 1975 and implemented in this province at that time for all buildings erected before October 1, 1975. The program took effect, Mr. Speaker, in January 1976. It is very evident that the program has been fraught with inadequacies, since its inception, for both tenants and landlords. The previous administration allowed a huge backlog of cases to build up in both Saskatoon and Regina. We have taken measures to beef up the staff in both centres to deal with these backlogs. I am happy to report that the rentalsman's office in Saskatoon and Regina is making progress.

Mr. Speaker, the former administration allowed rent control offices to fall into disarray. Cases were not acted upon promptly because of a lack of direction by the former administration. We are correcting the situation.

Mr. Speaker, we recognized that there are some problems with rent control from both the tenants' point of view, as well as the landlords'. That is why we organized a ministerial advisory committee with both tenants' groups and landlords' groups making representations. That was more than the previous administration was willing to do. They didn't listen to anyone and that is why there were turfed out on April 26.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. SANDBURG: – My department is presently looking at ways to make rent control more equitable for each side and to reflect today's economic conditions. The department will report back to me soon with recommendations as to how to correct these inadequacies.

It's a fact that approximately one-half of the landlords' request for rent increases are approved and the remainder receive approximately 70 per cent of what they request under rent control.

Mr. Speaker, the average increase to landlords this past year was 13 to 14 per cent in Saskatoon and Regina. This government, at this time, seeks the co-operation of landlords to follow the guidelines of the province's economic protection plan when applying for rent increases.

Mr. Speaker, the rent control program was amended by the NDP over the past years. I want to note this: that it was amended by the NDP over the past years. For example, in September of 1977, there were 20 urban centres in this province under rent review, with 11 cities under rent control. They (the NDP) saw fit to change this regulation in March of 1978, where 24 municipalities were under rent review and then 6 cities under rent control. Finally, Mr. Speaker, they changed the regulation again in 1979, where 29 municipalities under rent review, with 2 cities under rent control.

I suggest, Mr. Speaker, this may have been a planned step by the NDP toward the elimination of rent controls in this province. That's where they were going. Now the member for Regina Centre says: extend the controls to those apartment buildings built after 1975. I submit that he is now speaking out of the other side of his mouth. The member for Quill Lakes says that we are abandoning protection of tenants. We are ensuring the protection of tenants in this province.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. SANDBURG: – Mr. Speaker, this government immediately recognized the great problem it had inherited and now is taking steps to deal with this difficult situation – difficulties that were not even recognized by the former administration.

Therefore I move to amend the motion of the member opposite, to be seconded by the member for Regina North, to read:

That this Assembly commends the government of Saskatchewan for establishing a ministerial advisory committee which has advised this government of concerns both from tenants and landlords.

MR. KLEIN: – Mr. Speaker, as it is obvious that our government intends ensuring the protection of tenants and without elaborating any further (being that I concur with the remarks made by the mover to the amendment), I beg that we adjourn debate.

Debate adjourned.

Resolution No. 4 – Student Employment Program

HON. MR. BLAKENEY: – Mr. Speaker, I propose to move later in my remarks:

That the Government of Saskatchewan act immediately to implement a comprehensive student employment program in Saskatchewan, providing full-time summer jobs for Saskatchewan high school and university students seeking employment.

Mr. Speaker, I put in the notice of motion dated June 18, 1982, and at that time the summer I had in mind was the summer of 1982. However, that summer has gone and the government has by and large not acted to create jobs for students. And it is not too early, having regard to the pace at which the current government operates, to urge

them to launch a program which will be effective for the summer of 1983.

I think some people don't fully understand how serious the unemployment situation has become. While it is true that unemployment in Saskatchewan is not high compared with other provinces, it is increasing, increasing at an alarming rate and increasing faster than almost any other province in Canada. The point to be made is not that we started with a low unemployment rate, but rather that the unemployment rate is rising and rising sharply.

Let me give you a few figures, I will use July figures because that is reasonable month to use if you are talking about student employment and unemployment. In July of 1981 there were 17,000 people unemployed in this province. In July of 1982 there were 31,000 people unemployed – 14,000 more people unemployed in July of 1981, an increase of over 80 per cent. Now by anybody's standards that is a massive increase in unemployment in a 12-month period.

Let's take it one step further and find out how many were unemployed in what might be called the youth group, the people from 15 to 24 years of age. Here, the number who were unemployed in 1981 was 10,000; in 1982, 18,000 – 8,000 more people in the age group 15 to 24 unemployed in 1982 than in 1981. By anybody's standards that is a massive increase in unemployment. My figures, Mr. Speaker, are quoted from Statistics Canada table no. 38.

Turning now to Statistics Canada's table no. 57 and turning to employed students in Saskatchewan in the summers of 1981 and 1982, and again directing my attention to the month of July, we find that in 1981 there were 50,000 employed students in Saskatchewan. In the year 1982 there were 43,000 employed students – 7,000 fewer employed students in 1982 than in 1981. And there is nothing particularly significant about the July figures. The figure for August is 6,000 less.

So what we see is as trend whereby the number of unemployed is sharply increasing. The number of unemployed in the youth group of 15 to 24 years of age is sharply increasing and the number of students who were able to find a job is sharply decreasing from 50,000 to 43,000. That suggests to me (and I suggest to all members of this House), a circumstance which ought to attract the attention of the government and not only attract their attention but attract their action.

Now, Mr. Speaker, there is no one solution to this problem. Nobody asserts that there is one answer and that the government opposite or any government in Canada can wave a wand and provide employment for all students who might seek to get a job. But, many things could have been done, and many things could be done for the year 1983. Many things should have been done, and many things should be done for the year 1983.

Now the best approach, and we all know this, is to have a buoyant economy. The best approach is to have an economy whereby all people, be they students or non-students, have a good opportunity to get employment. But certainly we don't have a buoyant economy, either in Saskatchewan or elsewhere in Canada. By any measure, we have a less buoyant economy than we had one year ago. By the measure of unemployment, we have a less buoyant economy. By the measure of business bankruptcies, we have a less buoyant economy. By the measure of retail sales, which are lagging behind the rate of

inflation and accordingly are actually going down in volume terms, we have a less than buoyant economy. Mr. Speaker, I think we all know these facts. No amount of pointing to circumstances elsewhere in Canada or elsewhere in North America in any way denigrates the very real hardship which is being faced by Saskatchewan young people here today.

I am not asserting, Mr. Speaker, that this is all the fault of the Government of Saskatchewan. We all know that there are difficult circumstances throughout the world. We all know that those circumstances are with us in North America. We all know that those circumstances are here in Canada. But this does not absolve the Government of Saskatchewan or any other government from taking the steps necessary, and certainly when I speak of the Government of Saskatchewan, I say to them that they ought to create jobs in Canada. When Progressive Conservatives in the House of Commons speak of the Government of Canada, they say that that government ought to be taking steps to create employment. And just as surely as the Government of Canada ought to be taking steps to create employment in Canada, so indeed should the Government of Saskatchewan be taking steps to create employment in Saskatchewan.

Now, Mr. Speaker, I want to deal now with some of the things which I think they should be doing and some of the things which they are not doing. In my judgment, the best way to provide jobs is to create assets, to create solid assets so that the person who is working also has the satisfaction of knowing that he is creating something of lasting value for himself and his neighbors. Mr. Speaker, we think of housing, and that is one of the best creators of jobs we have in our economy. We think of public construction, such as rehabilitation centres which are not being built, technical institutes which are not being built, highways which are not being built.

I refer hon. members to the spring budget introduced by the previous New Democratic Party government, a budget on which we campaigned and a budget which hon. members opposite are fond of saying was rejected by the voters, as indeed it was, and rejected by the Progressive Conservative party, as indeed it was. And no question that hon. members opposite are right when they say that that budget is gone and it's dead, because it's been rejected by the electorate and rejected by the Progressive Conservative Party. The new government introduced new programs and new tax measures and new approaches – a totally new approach – in order to do the job that they felt to be necessary, and they started right away when they took office, and I commend them for that. They began to put their shape and their brand on the government early in May, and they have every right to take credit for what they have done, and they have every obligation to take responsibility for what they have not done. I want therefore to suggest to you, Mr. Speaker, some of the things they have not done to create student employment in the summer of 1982 and what they have not done, at least not yet, with respect to students employment for 1983.

Mr. Speaker, there was certainly no suggestions of any reticence on their part with respect to announcing capital projects early in their administration. The Hon. Minister of Government Services on June 18 told this House that we hope to have the decision next week on all capital projects. They hope to have the decision next week on all capital projects. Well, that was a false hope because so far as I am aware there are still no decisions on things like courthouses in Regina, and if there is a decision on the rehabilitation centre I haven't heard it.

Mr. Speaker, I repeat again that the Hon. Member of Government Services said on June 18 that they hoped to have decisions next week, and now the member for Souris-Cannington

is suggesting that maybe they'll have some decisions next week or next month. I don't know why he repudiates his cabinet colleague the Minister of Government Services in such a resounding way when he suggests that after she had promised they would have it by the first of July. He is now clearly admitting that they won't have it by the first of December. Shame on the member for Souris-Cannington.

Mr. Speaker, I am attempting to deal with the interjections of the member for Souris-Cannington, but I want to point out in a very serious way that a good number of those decisions which were implicitly promised to us in June have not yet been made.

We still do not know what the construction program of this government is, and had we known what the construction program of this government was, we might, and I say might, have looked forward to some jobs in the summer of 1982. We would certainly be able to look forward to some summer jobs in the summer of 1983 if we knew, and if decisions had been made in June or July, about construction projects which could have been mounted next spring. Many, many of those projects, even if decisions were now made, could not provide employment in the summer of '83.

Now let me turn to yet another area, and that's the SPC gas program. That gas program has been proceeded with, but it has been proceeded with on a much modified scale so that it did not create the employment in the summer of 1982 which would have been created had they proceeded with a larger gas program. One which they promised in their election program. One which we had budgeted for in our budget, but one which they did not proceed with. They proceeded neither with the program of the New Democratic Party or the one that the Conservative Party promised during its election program. In fact they proceeded with a much modified program which did not provide the jobs which we could reasonably have expected.

Let me turn now to the Prince Albert pulp mill. Now admittedly there was no formal arrangement to expand the Prince Albert pulp mill although plans were well along. In response to a question of whether the government had any intention of proceeding with the construction of a thermo-mechanical pulp mill at Prince Albert, the Hon. Minister of Industry and Commerce, who is now off in New York selling potash and coal and steel, said very emphatically no. So clearly they had no intention of using that project, at least as government project, in creating employment for anybody, be students or not, in the year 1983.

Let us now turn to the rural capital program. The Rural capital program was one proposed in our budget. Members opposite will know that there has been an urban capital program going back now for a number of years – perhaps eight years. And it was decided that the time had come to provide a rural capital program. No one in this House, wherever he sits, can deny that the urban capital program has been a major creator of employment in this province. Any number of highly labor-intensive projects have been proceeded with under the community capital fund, the urban capital program. There is no reason to believe that, similarly, jobs would not have been created under a rural capital program, which I think is a reasonable expansion of governmental activity in this province. However, the Minister of Rural Affairs rejected that out of hand. He referred to the program – I'll just have to check myself what he said – “a political ploy” is what he called it. A political ploy. I'm sure he would have equally said that the urban capital program has been a political ploy in its first couple of years, but it has proved to be a very solid program, very well accepted by people across this province.

In a similar vein, the rural capital program was a much more modest one, because

clearly the requirements of rural municipalities, always excepting roads for which there is a separate program. It was a much more modest program but it too could have created valuable assets and jobs for students. It was dismissed out of hand as a political ploy. My prediction, Mr. Speaker, is that in two or three years it will revive again and it will undergo a metamorphosis and it will no longer be a political ploy but will be an outstanding program of a progressive conservative government.

Well, I think we could have had an outstanding program of a progressive government in this year – when we need some students jobs – and not in a later when you get around the analysing that program.

We could look at something like the Regina pipeline. No one can say that that program was in hand in by our government. I am not asserting that, I am saying that the government opposite might at least have looked at the program, not set it aside to be slow-walked by the member for Arm River, but looked at it in a serious way to see whether or not it was a reasonable solution to the water problems of southern Saskatchewan.

Mr. Speaker, if that has been the stance of this government they would undoubtedly simultaneously have proceeded with the environmental studies and with financing arrangements so that they could have taken advantage of the proposal put forward by IPSCO to provide them with pipe at cost. Nothing is clearer than that the government is slow-walking this program. Nothing is clearer than that, because they have not done any of the other things which would need to be done in order to move that program along rapidly. They have left it in the hands of the member for Arm River without in any way attempting to deal with environmental or financial problems which will arise should he report favorably. I suspect that this foretells the fact that he will not report favorably and maybe that therefore the project will not proceed.

Mr. Speaker, I think that their approach to this, which was not one of indicating any measure of haste whatever, not even any measure of diligence, clearly a dilatory approach, indicates that they do not regard this project as one likely to create many jobs.

Now let's turn to some other matters. We turn now, Mr. Speaker, to other projects which might have created unemployment. The Hon. Minister of Health advised this house on August 20:

I would like to inform this Assembly that the expenditures of this government in the years will be in excess of the budget of the previous government as announced in its budget.

That's the health expenditures, and I'm quoting the Hon. Minister of Health in *Hansard*.

Now it may well be that on operating expenses that will be true. I say if that's true on health capital expenditures I will be amazed. I will be amazed because I don't know what health capital expenditures are proceeding. I am told that the hospital at La Ronge is not going forward. I am told that a good number of other hospitals are not going forward. I say to you, Mr. Speaker, that the previous government had a regular program of constructing hospitals. We constructed a number each year.

I would venture to guess, Mr. Speaker, that in the summer of 1982 fewer hospital projects were announced and initiated than in any summer for many, many years. That tells its own story. It tells the story that this government opposite is not interested in creating employment by solid projects which will also create assets. I don't know whether the projects on the general hospitals here in Regina are moving at full speed. We'll have an opportunity to pursue that issue with the Minister of Health. I do know that no great amount of progress is being made in Saskatoon with respect to the planning of the revitalization of those two hospitals. No one, I think, is suggesting that they would have provided employment in 1982, but they might have provided employment in 1983, and would almost certainly have provided employment in 1984 if the work had been proceeded with.

AN HON. MEMBER: – Union strikes, Al, you had them too.

HON. MR. BLAKENEY: – Mr. Speaker, the hon. member behind me suggests that somehow they cannot plan a base hospital because of a union strike. May I advise the hon. member that planning hospitals is something which is not done by people who are in the construction trades, but is done by architects and by hospital planners. That job needs to be done and needs to be done now with respect to Saskatoon hospitals so that we will have hospital facilities in Saskatoon, and so that we will have jobs for students and others next year and the year after.

Mr. Speaker, I could turn to the La Ronge Hospital. Here is one where students and others in La Ronge could have been provided with employment. I have been advised on another occasion that the Minister of Health and the Minister of Social Services are planning and co-ordinating their work on that project in La Ronge, because they have come into the responsibility for those two projects effective October 1, I am therefore asked to believe that those functions which were once in the hands of the Minister of Northern Saskatchewan, prior to October 1, couldn't be co-ordinated by that one minister. He could clearly, when he was the minister of both of those functions, have co-ordinated that and he didn't do it. This is indicative of the fact that they have no will to proceed with projects which will create employment.

Mr. Speaker, I could mention education facilities which would have provided some employment this summer, very possibly, and certainly would provide employment next summer for students and others. One thinks of the geology building at the University of Saskatchewan, which for some unaccountable reason, has been cut back. That project has been either delayed or cut, I don't know which. There's been no clear announcement. It's going to cost \$2 million regardless of whether it is started again next year or the year after. We have lost \$2 million. That money would have provided employment for people. That decision by the government cost the taxpayers money without providing employment.

One could say the same with respect to the technical institute at Prince Albert. Here I am aware that an announcement has been made. I am far from aware that there is any clear commitment to get construction going. I have no doubt that we will see a sod turning. However solidly frozen the ground is in Prince Albert, we are going to see a sod turning in the next several months. But leaving that aside, sod turnings don't create much student employment. I still have to be convinced that there is any will on the part of the government opposite to proceed with that project as rapidly as possible.

With respect to the technical facility at La Ronge, there is no indication whatever that

anyone is going to proceed with that facility with all due dispatch.

I turn now to other things that might have been done. Members opposite compliment our government for commencing the Nipawin hydro project and I accept the compliment. I think that the project should be proceeded with and I am glad to note that the government opposite feels also that the project should be proceeded with.

Mr. Speaker, I turn now to housing. There is probably no greater creator of employment for the number of public dollars spent than housing construction. And housing construction is particularly apt when creating jobs for students. Many other major projects are built by unionized labor with labor forces which are more or less permanent in the construction field. Many houses are built by contractors using subcontractors who gather their labor force for individual projects and who therefore frequently employ students.

I would like to point out, Mr. Speaker, that while the government opposite has talked a good line about housing, we have seen not nearly as much as they have talked about. In July, the minister responsible for Saskatchewan Housing Corporation approved some new rental housing units and at that time, he said he expected to be approving additional projects in the near future for construction starts later this year. And that's under the Saskatchewan family home purchase program. Now if he has approved some later ones, it's got by me. We haven't been able to find the second approval or the third approval by the minister. He announced the first approval in July and if there are further construction projects, we haven't heard of them.

In September, the minister for Sask Housing Corporation said that this Saskatchewan family home purchase program would assist 400 families this year, and it's clear from the press released, dated September 13, it would assist 400 families this year and would create 600 construction jobs this year. Frankly, Mr. Speaker, I do not believe that that has happened. When we look at single detached dwelling starts in Saskatchewan in September and October, after his announcement – and you can look at the November figures when they come – we will see that there are either fewer starts than last year or the increase is marginal. He announced 400 new houses and even with that – and these were single-family dwellings – and even with this announcement which was going to create 400 houses this year, there is no increase or only a marginal increase in single-family dwelling starts. And I ask them to believe that the private sector housing has stopped, notwithstanding the mortgage interest reduction program. I doubt it, Mr. Speaker, I doubt, in fact, whether the minister has gone ahead with what he said. And this too, would have created jobs.

Mr. Speaker, I won't go over the further shortcomings of the government with respect to capital. I simply want to make a plea that they do better in 1983 than they did in 1982. A major housing program in 1983, if planned now and started next spring, would create a significant number of jobs for young people in 1983. I think that we have to face the fact that there will probably be less private sector house building in 1983 than there was in 1982. We had, in 1982, the encouragement, the very substantial encouragement of the federal government, that the leftovers of the MURB program . . . We all know that the multiple unit residential building program of the federal government was terminated in late 1981. Projects which were underway still qualified. There are still a few left around but virtually none are building. Some of the unsold as we can read in the paper, MURB units are offered for sale but virtually none are being built. A very large number of MURB units have been built in Saskatchewan and elsewhere. That now is off. There will not be that encouragement. There well may

have been some encouragement held out by the government's mortgage interest reduction program. That will not be as impressive an inducement now, because it is no longer such a significant improvement over the market interest rate.

Therefore, there is no reason to believe, based upon those specific circumstances of an economy that is in recession, not only in Saskatchewan but across Canada, that there will be a great deal of house construction unless the government opposite acts. We call upon them to act to see that there is significant residential construction to provide the houses we need, to create the vacancy rates which would all like to see, and to provide the jobs for students which would all like to see.

Mr. Speaker, it is not that the members opposite didn't promise to do anything. There certainly was no absence of promises to create jobs. I would like to remind the House of what was said by the Minister of Labour on June 18. Here's what he said about jobs when we were pressing for jobs then, and I remind you again of how things have gone – 7,000 fewer students jobs this July, 7,000 fewer students jobs, and here's what he was saying in June:

. . . everyone is going to be affected by the things we are coming up with. They are going to include men and they are going to include women. There will be jobs for those who are coming out of school. We are going to make this province number one, but we can't do it in four weeks.

Well, Mr. Speaker, there are going to be jobs for people coming out of school. Someone should have told StatsCan that, because they say there were 7,000 fewer jobs for people coming out of school, and I suggest that next year we are going to see a similar difficulty for students getting jobs, unless the government opposite takes the firm measures that are necessary.

Mr. Speaker, members opposite know that the Minister of Labor was not the only one who gave undertakings in this House. The Minister of Urban Affairs, on June 22, with respect to jobs for students, said this:

We are working on that situation. We realize it is grave, and we will bring it (meaning a program) in due course when it is ready.

This is the Minister of Urban Affairs telling us that he is going to have a job program for students and that he's going to bring it in in due course when it is ready.

SOME HON. MEMBERS: – Hear, hear!

HON. MR. BLAKENEY: – I can only conclude that it is not ready yet because of members opposite who are clapping or thumping their desks. If they know what the program is, I don't. If they know what program the Minister of Urban Affairs has brought in for student employment, I don't.

Mr. Speaker, creating employment is not solely a function of capital projects. There are many other things that could be done. If the government opposite had wanted to create jobs this winter, they could have simply asked the Minister of Culture and Youth to ask his department to mount a program, and they could have done it in two or three weeks with ease. With ease, because what has been done in the past is there on the record. The YES program has been used on many occasions when we had difficult times

finding employment for students and youth. The youth employment service offered many, many jobs to young people. Members, I think will recall those program. Those who were on this side of the House before recall the programs which were mounted, recall the fact that they called for more. When in government, however, they do much less.

Let me recall to the member for Moosomin the program which provided some wage supplement to private sector employers who hired students. We all remember those. There were proposals whereby merchants could hire students and get part of the salary paid. There were proposals where local recreation boards could hire a pool supervisor or a playground supervisor and get part of the money paid, these program were there. The programs were there to put into place if the members opposite wanted to do it. What was lacking was not a program, but a will. They would sooner see 7,000 fewer students gets jobs than act to provide jobs for young people.

There were other programs. There was a small program to provide employment for young people in government. No one suggests that that is the complete answer. I started my remarks by saying that there was no one answer; I continue by saying that there are many possible answers. The government opposite is trying remarkably few.

Mr. Speaker, I have tried to outline what I think are the shortcomings of this government,. I don't believe anybody can deny the nature of the problem. I don't know whether members opposite are asserting that there will not be a similar problem next summer. If they are, I wish they would stand on their feet and say it, so we will be able to test their ability to predict the situation against the facts which will emerge . . . (inaudible interjection) . . .

Mr. Speaker, I think we have a good number of people who wish to participate in this debate. I am going to welcome their interjections, and I am going to welcome their contribution to the debate.

I do want to say, however, that these hard facts put out by Statistics Canada cannot be gainsaid by interjections from the government side of the House. They are there. There are a whole lot of young people who do not have jobs and who want jobs. Next summer there are going to be a whole lot more young people who want jobs who won't have jobs. They will be in my constituency and the constituency of Regina North West and the constituency of Moosomin, and they will be young people who have every right to expect that there is employment there if they're prepared to work. My prediction is that the circumstances with respect to student employment are going to be no better in the summer of '83 than they were in the summer of '82 and that was dismal indeed, dismal indeed.

Mr. Speaker, there is every evidence that there will be serious unemployment among students next spring and next summer, every evidence that there will not be enough economic activity to create jobs. The Conference Board of Canada prediction is along that line. The predictions of other economic agencies offering predictions are along the same line. I say, Mr. Speaker, we have been forewarned by the events of '82; we have been forewarned by the Conference Board predictions and the C.D. Howe Institute predictions. I suspect the members opposite or the treasury members opposite have been forewarned by their officials. The time is now for the government to start planning, so that next summer our young people will have an opportunity for gainful employment.

Because, Mr. Speaker, this is so clearly a need and because it is appropriate for this legislature to record its belief that that needs to be done. I move, Mr. Speaker, seconded by the hon. member for Shaunavon:

That the Government of Saskatchewan act immediately to implement a comprehensive student employment program in Saskatchewan, providing full-time summer jobs for Saskatchewan high school and university students seeking employment.

Mr. Speaker, I so move.

MR. LINGENFELTER: – Thank you very much, Mr. Speaker, for the opportunity to rise and second this very impressive motion – one which was meant to have assisted the government in the planning of their student employment program for 1982, but I think that we are probably better late than never.

I think that the leader of the group here has very ably outlined what should have been done over the past summer, what wasn't done over the past summer, and outlined very ably what should be done in the coming year. I think if we look back on 1982, Mr. Speaker, we will look at it very clearly as a summer of lost opportunity, and a summer in which about 7,000 young people – students – failed to find employment who were employed the summer before. I think that is a record which will stand in judgment over the next year, two years, by-elections, and the next provincial election, whenever it is called. I think if this trend continues where we have the large number of people unemployed that we have at the present time, that the government will find itself in very, very dire straits.

I think that we will look forward to the very near by-election in Prince Albert-Duck Lake, and look at that as a referendum on what has been done in terms of job employment and job creation, both for students and the rest of the population. I think that if we look at the numbers for the region of Prince Albert, they are not terribly impressive. The number of people on welfare and the number of people who are unemployed has gone up in the area of 50 per cent since the election of April 26. These kinds of numbers, I think, will be very impressive to the people who took a chance in Prince Albert-Duck Lake in the last election, and are part of the group who are the loser since April 26.

I think that there were winners and losers, Mr. Speaker, as a result of the election of April 26. I think the many people who are unemployed, that including the students, are the losers. The winners, I suppose, are the oil companies, Estevan and Swift Current in particular, which got oil revenue cuts of \$100 million. But how many jobs were created as the result of giving away \$100 million? The statistics for Swift Current and Estevan are not impressive either. They show, in Swift Current, that the number of jobs opportunities is down by 29 per cent, and the number of those looking for jobs is up 101 per cent. That is where about \$50 million of the tax cut went. In Estevan, the number of people who are looking for jobs has increased by 52 per cent. That is where the other approximately \$50 million gamble went – to pay the oil companies off for debts in the April 26 election. I don't think the people in those areas will forget that soon.

We will find out tomorrow night in the first Tory budget whether or not that \$100 million gamble is in fact going to pay dividends. It hasn't so far, and the statistics from

StatsCan certainly prove that. The unemployment rate in Swift Current and Estevan is 50 per cent higher than it was before we took the \$100 million gamble.

So we are looking very clearly into the future where we will have a \$200 million deficit – one brought about by mismanagement in the first six months of this government's operation – a budget that, I am sure, many people are predicting will only increase as the years go by, with the Minister of Finance now announcing that he is going to do what has been done in the federal House, that is, stop issuing yearly, annual budgets and go to mini-budgets once every four or five months, whenever the pressure gets enough from the groups and the local communities. And I think if we are going to go to that type of budgeting in the province of Saskatchewan, it's fairly easy to predict that the first Tory budget will not be the only deficit budget but will be the first of many. I think the \$200 million which will be announced tomorrow night will be low by comparison to what we will see in March of '83 and so on down the road.

In terms of student employment, Mr. Speaker, I think that when we look at this past summer there are many places where the government could have put money – should have put the \$100 million that they gave to the oil companies instead of gambling on the oil companies who took the money and ran. We need only look at the fact that so far this year the number of wells drilled in Saskatchewan by the \$100 million gamble is down by 100. It has not increased since April 26, but has gone down. They agree with me – the people in the southwest agree that what they gave away in \$100 million in tax revenue, and what they gained is no roads, no nursing homes, and no jobs, and they are not very pleased with the gamble that was taken by the Minister of Finance in giving away \$100 million and adding to the deficit which is growing day by day.

Other statistics which are just as shocking, I think, in dealing with young people, are the welfare rolls in the province of Saskatchewan, which have gone up from 40,000 at this time last year to 52,000. The simple fact is that 70 per cent of those people on welfare in the province today are below the age of 30. Many of the people would be working if they had a chance, if the money had been invested through our Crown corporations or through public investment or has been spent in terms of creating jobs.

I think the comparison can be made using the \$100 million that was given away by the finance minister to the oil companies, adding to the \$200 million deficit. Had the \$100 million been spent, for example, on a \$10 million announced Cypress Hills development project we would have jobs in southwest Saskatchewan. If \$20 million had been spent on drilling for oil wells through Saskoil there would have been jobs created. But no, instead the Minister of Finance took the chance on the private sector oil companies, and I say that the statistics from Swift Current and Estevan on job creation, employment, and welfare show that he lost the gamble, and the people of the province won't forget that very soon.

Mr. Speaker, I think the reason we are facing large numbers of students and young people on the unemployment and welfare rolls is simply because of the Devine government's complete belief in the theory of supply side economics – a theory of economics that has been given up by the Reagan government, and I think wisely so if the primaries and interim elections in the United States are any indication. The Republicans lost about 25 seats in the House, lost seven governorships in seven different states, and I think they were wise to back away from supply side economics. They were wise to move away from the trickle-down theory of economics and move toward something which would create jobs and better use the \$100 million that was given away to the oil companies, that in fact was given away rather than creating jobs

through the Crown corporations in the public sector.

I think if we look at the people of Moosomin, they were losers as well. They thought they were getting a nursing home in Whitewood, for example, and I find it interesting that people are now writing to me and saying, "What was this about this promise of a nursing home in Whitewood? Instead we see that the government has given away the money to their friends who assist them in getting elected on April 26." And the people in Whitewood will not take another chance on that kind of government.

If we look at the number of projects that could have been done, Mr. Speaker, in terms of getting the economy going, getting people employed, getting students to work this past summer, I think we could have looked at the \$1.3 billion that was planned for investment by the Crown corporations in the province of Saskatchewan. You can talk about creating jobs through the housing industry, jobs through creating employment building technical schools and building hospitals and nursing homes, but to get back to the member for Moosomin, that wasn't done and because of it the employment when the student come out of university at Christmastime is going to be even higher than what it already is. The number of 7,000 less people employed in the coming summer will probably be more, unless this government takes into advisement some of the things which should be done in terms of creating jobs through the private sector, and gives upon the blind devotion to the free enterprise laissez faire type of economy which they seem to be blindly in favor of.

With that, Mr. Speaker, I would like to second the motion by the Leader of the Opposition. I hope that the members opposite will take into advisement some of these great ideas which we have explained to them today.

HON. MR. BERNTSON: – I knew, Mr. Speaker, with your sense of fair play and extremely sound judgment, that you would do that. I have just a couple of comments before I get to the motion that is on the floor today, Mr. Speaker. As a result of a breakdown in the usual co-operative spirit of the two parties represented here on the floor, we are going to be sitting this evening. The cafeteria did not receive notice soon enough because the breakdown did not come until later in the day. If there is a positive side to the breakdown, I am sure that is was visible this afternoon. That is that we woke up members opposite and had a little exciting debate here this afternoon.

Because we are coming back this evening, Mr. Speaker, and because we are going to have to go out to eat, and because it is near 5 o'clock, I would ask that you now call it 5 o'clock.

The Assembly recessed until 7 p.m.

CORRIGENDUM

Hansard N.S. Vol. XXV, No. 22A, Monday, November 22, 1982 incorrectly reported on Bill No. 39 – An Act to amend The Urban Municipality Act under Introduction of Bills on page 958. The record should read:

Bill No. 39 – An Act to amend The Urban Municipality Act

HON. MR. BERNTSON: – Mr. Speaker, with leave of the Assembly (and this has to do with a bill for which I have provided an advance copy to the opposition), I would ask leave to move first reading of An Act to amend The Urban Municipality Act.

Motion agreed to and by leave of the Assembly the bill ordered to be read a second time at the next sitting.

[correction made on online version]