

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
February 28, 1983

EVENING SESSION

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Item 1 (continued)

MR. KOSKIE: — Mr. Minister, Mr. Chairman, I want to refer the minister to the budget address. At that time he indicated and I quote:

Had we proceeded to implement the March budget without holding it up to the light, I would not be able to announce this evening cuts in expenditures . . . totalling 170 million . . . These expenditure reductions have been made without affecting essential government services.

As I review some of the budgetary cuts, I note that the senior citizens shelter allowance was one that was cut. I note that the cultural and recreational program that was under culture and youth was cut. I look at rural affairs and I see the capital grants to municipalities cut. I look in education and I see basic cuts in the STI and P.A. institute, geological science building.

But I want to ask the minister: since he took credit for these major cuts could he provide us with a list, an itemized list, of the 107 which total up to \$170 million, indicating the amount of the various cuts that he made giving the individual amounts of each program or each individual item? I'd like a list of the \$170 million, which you indicated and took credit for and were very proud of at the time indicating your government's very businesslike approach to it and indicating that there was no cutback in social programs. What I'd like then is a complete list of those items that made up the \$170 million. Can you provide that?

HON. MR. ANDREW: — If I can undertake to get that to you. I think I set it out in fair amount of detail on questioning after the budget. But I will undertake to get that. I don't have that for you and I'll have to do some work to get that type of information for you. I will do that.

Some of the ones that you looked at — I think you made reference to the fact that, you know, we made these adjustments without affecting some of the, or any of the, fundamental services that one looks at in government. I think from your own recollection you will recall the senior citizens shelter allowance. That was a five-year program when instituted. It was to run for five years and what your government decided, because it was an election year, was you were going to break that from a five-year and bring it into a four-year — regenerate under a four-year thing.

Culture and recreation. We looked at that and if we had to make some adjustments perhaps that's one area that we could make some adjustments in that given year. So

that's why we made that type of adjustment.

Rural affairs. I think the rural municipalities are still going along relatively fine and the world isn't coming apart because of some adjustments there and down turns there. I think we have made a commitment to Prince Albert technical institute. The Minister of Education is clearly committed to proceed with the P.A. institution. In fact, it will probably be a larger program than the previous government had proposed and looking at the type of services or the type of spaces it will deliver, we hope we will bring it closer into the reality of the types of things that we need. Looking at it overall, the \$170 million cuts were, I think, by and large not harmful. I think the world is still swinging around pretty fair and I don't think that we have in that sense made serious hardships for any citizen of Saskatchewan with regard to those cuts.

MR. KOSKIE: — Well, I take it that the minister will be providing a complete list of all those items which add up to the \$170 million. I take it that what he has said relevant to the programs that I have indicated that were cut . . . I presume that you are taking the same attitude — and I don't want to put words in your mouth — but obviously you must have taken the same attitude that all of these cuts were not essential to providing services to you. Basically, I would like to differ with you and I think that the cuts in the cultural and recreational program . . . It was indeed a service which had been provided and we undertook to institute another four- or five-year program.

I think with the senior citizens shelter allowance . . . I think that they are one group which are hit by inflation and increase in rental rates and again I think that it's one of the essential services of the government in protecting a particular group within society which are unable, often because of limited income, to be able to protect themselves. So I take what the minister is saying in his sort of offhanded sort of way is that for all of those which he will be providing, you take the similar view. Is that the view of the Minister of Finance and can it accordingly be applied to all cuts?

HON. MR. ANDREW: — Well, I think that if you talk about the senior citizens . . . I don't want to get into the Department of Social Services; I think you've been through that and probably asked those questions. All I am simply saying is this: when you look at the department, the question of senior citizens shelter allowance, what you are saying, is it not that those people who needed some assistance in repairing their home wouldn't get it? Well, it's just that the ones that got it four years and had to wait five years to get it again would have to . . . (inaudible interjection) . . . All right, that's what I said — I didn't want to defend somebody else's departments. I don't know those particular details. But anyway, it's no problem . . . (inaudible interjection) . . . Just a minute, I'll come back to that one.

Let's take culture and recreation grants. Culture and recreation grants were cut. I think by the same token you have to bear in mind that the Department of Health's budget was increased some \$120 million. Now, when I come and look at things like increasing spending on health, versus increasing spending on culture and recreation grants, and you asked me which is the most important way of spending and which is the most fundamental service. I think I come to the view that perhaps health is more important than the culture and recreation grants in the given year.

MR. KOSKIE: — I want to know within the time frame that we're likely to receive the list which you've undertaken to provide.

HON. MR. ANDREW: — Pardon me. I didn't hear that.

MR. KOSKIE: — How soon can we get the list constituting the \$170 million cut?

HON. MR. ANDREW: — I will arrange to get it to you as soon as I possibly can, like everything else you've asked for.

MR. KOSKIE: — Surely the minister, when he made the speech in the budget address, had it prepared. I mean he was knowledgeable of it; it has to be somewhere and surely he can undertake to provide that within a week. I mean, as soon as possible leaves it completely open to the minister. I mean, surely he could come to the House here prepared at least to support that which he was telling the public in the budget address in November. What is the reason that you can't provide it? You obviously had it then.

HON. MR. ANDREW: — I would remind the hon. member that the Leader of the Opposition asked me several questions and asked for several pieces of information. I undertook to provide that information to him and I will provide that information to him as soon as I possibly can. I had no hassle from him as to whether or not I was going to provide it and when exactly I was going to provide it, and I think he seemed to be reasonably satisfied that we would in fact provide that type of information. I am not trying to hold any information back to you; I will provide it as soon as I possibly can.

I would hope that you would take my undertaking with regard to that and I will provide that information to you. Now if we want we can stand up and harangue and hassle about it all night; all I am saying is I will provide it as soon as I possibly can.

MR. KOSKIE: — I'll accept what the minister says. All I may say to the minister is that we have asked this government for a considerable amount of information by way of motions and questions, and to date we haven't received one single answer to one single question. And now, at the same time when I ask for a specific piece of information, I get the answer: as soon as possible. Now I don't want to be difficult with the minister and I take him at his word that when he says as soon as possible, that will be in a reasonable time, so let us leave it there. But you can understand why I have some hesitations in respect to the phrase, as soon as possible.

There have been several other major (I would say) election promises during the last campaign. I think perhaps the major (if the press would examine it) one is the sales tax cut. That 5 per cent sales tax cut runs into \$360 million, and I recall distinctly the Premier being interviewed following the election a week or two, to indicate that that would in fact be thought about during the current year. I was wondering whether, on that item and also in respect to the election promise of income tax cuts — 10 per cent income tax cut — I wonder whether or not the Minister of Finance has gotten those, or whether in fact there have been studies and discussions, and a timetable in respect to the implementation of those two major promises.

HON. MR. ANDREW: — Of course. I've faced this question many times from the members opposite. I think we have to go back, number one, and look. I suppose any government has to account to the people as to the commitments they made during the election, and whether the people accept that those commitments have been lived up to. The way you judge that, I suppose, is when you go to the polls.

I believe that as a government we committed to some very significant programs that I think were right-headed, and obviously the people of Saskatchewan thought so, too. We made a significant cut in the price of gasoline, and I think that was clearly, by

anybody in the media, and anybody else, a key political plank, a key program plank in our campaign. We delivered on that very shortly after coming into power, being sworn into office.

We delivered a housing program — a 13.25 per cent interest program — that everybody, including the members opposite, during the campaign indicated was going to break the budget and break the Government of Saskatchewan. It was “foolhardy,” and we delivered on that program. Right now, we see the benefits of that program as the only province in Canada that has housing starts over what they were in 1981 — that combined with the build-a-home program.

We delivered a program to young farmers that said that we will deliver a program that will help you with low-interest loans at 8 per cent money. We delivered on that program.

The members opposite would indicate that the program wouldn't be taken up, that we left it too long, and they wouldn't have enough farmers. Well, I can assure you that as of now — as of now — there are far more farmers than we can even provide the money for who have applied under farm credit — well over \$200 million, I believe now, with a cap of \$150 million. We delivered on that program.

We promised that we would deliver a rural gas program. I think the minister of power announced the other day that we embarked upon a 10-year plan of bringing natural gas to the rural areas of Saskatchewan.

I would say that's living up to the commitment pretty strongly. I suggest to you, hon. member, that the most recent test of whether or not we've lived up to our commitment was in the P.A.-Duck Lake by-election, and we have a member sitting over there to prove that the people of Saskatchewan, in fact, believe that we delivered on our commitment and we will continue to deliver on our commitments over the years that we are in power.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — I want to say that the significant thing here is that the minister should by now know that speech off by heart, as do all the ministers. I know the press is getting tired of it, and I can say that the opposition . . . Specifically, though, I asked in respect to a couple of other major promises, and of course, the Minister of Finance completely evaded answering the particular question. I guess I would like to repeat: have you a time frame? Have you worked out a time frame for the implementation of the two major programs that you promised — a sales tax cut and an income tax cut?

HON. MR. ANDREW: — Two comments with regard to the questions. I can assure the member opposite that when we look at delivering programs we are more concerned with what the people's views are than what the views of the media are in these particular programs. And it's the people that count and that was demonstrated in Prince Albert-Duck Lake.

SOME HON. MEMBERS: Hear, hear!

HON. MR. ANDREW: — With regard to the time frame which those other programs are going to be brought in, clearly we have a view of liking to see the tax rate in the province

of Saskatchewan, be it sales tax, be it income tax, in fact brought down, because I think it is important that we be more competitive, particularly with our neighbour in the province of Alberta. We want to see that brought down, but we're also going to be responsible, and we're going to bring that down when in fact we can afford to. I can assure the member opposite that while we are government on this side of the House, those programs will in fact be delivered.

MR. KOSKIE: — I want to turn to another topic, and that is in respect to your theory in respect to deficit budgets. There has been much criticism of the federal government as to the amount of deficit, and certainly recently the Premier has indicated that indeed, he would be in favour of increasing the federal deficit now, providing that that deficit or increased amount would in fact be used for job creation throughout Canada.

I want to ask you specifically what is your particular view in respect to the rising deficits in Canada, and in particular the federal budget, and do you concur with the general thoughts as expressed by the Premier?

HON. MR. ANDREW: — I can assure you that the thoughts expressed by the Premier are also the thoughts that I would see. I think the federal government has probably, I would suggest, very little room, given the situation in the country, to at this time turn around and start bringing that deficit down. I mean, obviously that isn't going to happen this year, and to do so is meaning further cuts in payments to senior citizens, further cuts in EPF funding to the provinces, further cuts in unemployment insurance benefits.

I find it somewhat strange that the national Leader of the NDP in Ottawa is in fact calling for further stimulus to the budget and probably more stimulus than should in fact be — that the deficit should rise higher. I find it strange when your only colleagues that form government, and that is in the province of Manitoba, in fact find their deficit rising from \$325 million projected last March to in excess of \$500 million in this fiscal year. The budget that just came down the other day is almost \$600 million in a deficit, trying to stimulate the economy. I find it somewhat strange that the members opposite are still pursuing the view of fiscal conservatism, and that seems to me very strange coming from members of a New Democratic Party. That seems to me to be inconsistent with the philosophy of your party across this entire country, wanting to move back with regard to the deficit. The first people who would scream and holler would be the situation if we were to cut further into the spending base of the budget — that would have to deal with questions of health, and questions of education, and questions of social services. We on this side of the House believe that we don't have a lot of room to increase a lot of taxation. We believe that deficits can and should be used in times of a downturn in the economy, and that when times are good money should be put away; put away for times like this. Quite frankly, when we took power, we didn't find a lot of money being put away, and therefore we had to find ourselves in a deficit situation.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, I will not answer the comments of the Minister of Finance, except to say that one could only wish that in this province we would have a government which had done as well with respect to the increase in the deficit as the one in Manitoba has. The first budget brought in by my colleague, the Minister of Finance (my colleague in this legislature, not in the party) was 220 plus 139-140 which was \$360 million worse than the year before; \$360 million you went behind in your budget from a surplus of \$140 million at the end of '82 to a deficit of \$220 million at the end of '83 . . . (inaudible interjections) . . .

I see I am touching a nerve, because we have suddenly got everybody popping in. If the member for Turtleford or the member for Rosthern would like to explain why every word of that is not true . . . I know they're going to enter the debate and point out exactly where any word is not true. If any of them denies, for example, that there was \$140 million surplus, \$139 million surplus, they ought to take up their quarrel with the provincial auditor, because I am very sure that that will be the case. If anyone is sanguine enough to believe that the deficit will be less than 220 million, then I am sure they are dangerously open to fraud, because certainly we know that the deficit is going to be at least 220 million when the figures are in, and we will certainly wait . . . (inaudible interjection) . . . People are shouting smoke and mirrors, but we're not interested in smoke and mirrors, we are interested in straight performance and cash. The last year, the year ending March 31, 1982 was in cash \$140 million ahead, and the year ending 1983 we're going to be \$220 million behind. Those are hard facts. I know that members opposite don't want to accept them, but there is no way you can get around them. They are just there and very, very, very hard facts. And there is no gainsaying them.

On to a few other items . . . (inaudible interjection) . . . I am sure it's good because members opposite don't want to hear about the administration which they have given this province, which is in fact going down the Trudeau trail of deficits. There is no question of that and . . . (inaudible interjection) . . . Well, maybe . . . There's no question that people love people when they're spending money. No one denies that running deficits is popular the first couple of years. The question is whether the people of Quebec are liking the results of it. When you run five or six deficits, you have what you have now in Quebec. When you run six or seven, you have what you have in Ottawa. And no one denies that they were great the first couple of years. Everybody thinks it's great. But I am surprised that any member of this House would stand up and say that it's sound public administration.

I share with the Minister of Finance the view that there is nothing particularly wrong with deficits in tough years. I am sorry that he has to acknowledge that the first year he becomes minister is a tough year. There hasn't been a tough year since 1970 on this definition, because we haven't had a deficit since 1970. But I think it's true, and part of the toughness is the fact that the economy is in a tailspin and part of the fact is that we have the administration that we have opposite. Combined, they have certainly brought on a crisis in finances in this province. There's no question, and the figures tell it, and next month's figures will tell it even more dramatically, I suggest. But we will see. There's nothing much we can do about that at the moment. It's going to take a fair while to turn it around.

I regret that we have started down this trail which, wherever it has been followed for any consistent period of time, has brought great, great hardship to the province which has followed it. The possible exception is Ontario which has, or has had, perhaps, a depth of tax capacity which we have not had. And even there, they've had their problems, as their sales tax creeps up to 7 or 8 per cent — 7, I believe now — and as their medicare premiums get up to the \$500 or \$600 per year per family range. We shouldn't even call that a success story of successive deficits. And this is not to suggest that I quarrel with the Minister of Finance by suggesting that a single deficit or so is a serious problem. But I do quarrel with any suggestion that we ought to embark upon a policy where we will have successive deficits over a significant period of time.

I have some questions. With respect to the minister's staff, are there any persons paid

other than by salary, i.e., in contractual fees? Do you have anybody who is on contract? I understood you to say the answer was no, today, other than Messrs. Robinson and Garven. I would like that confirmed.

HON. MR. ANDREW: — The answer to the second one is that that is correct. Messrs. Garven and Robinson are the only two who were on contract.

With regard to the question of deficits. I take it the hon. member is indicating that he now sees nothing wrong with a deficit, or that he can accept a deficit for one or two or three years, given the downturn of the economy. Or did I misunderstand what he was in fact saying — that any deficit at all, both this year and next year would be a serious and grinding problem that would take us down the slopes to Quebec and to New Brunswick and Nova Scotia? I can assure the member opposite that we are a long way in this province from the financial situation of the province of Manitoba. We're a long way from the financial problems of the maritime provinces and the province of Quebec. I can assure the members opposite that I will stack up our budget-making process against their budget-making process any day of the week.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — It's all right to stack up, but in a moment we're going to have a budget which shows what we do when we stack up. We'll see the interest on the public debt in a moment.

With respect to entertainment expenses, would the minister provide us with a list of entertainment expenses incurred by the minister or the deputy minister, each special assistant, and each executive assistant? I don't mind a modest cutoff, I'm not asking for \$10 items. Are any members of the departmental staff on secondment to any other agency of government?

HON. MR. ANDREW: — Not that I know of.

HON. MR. BLAKENEY: — Of the positions listed in the estimates, approximately how many are now vacant, and how many are now filled?

HON. MR. ANDREW: — 29 positions are vacant.

HON. MR. BLAKENEY: — 29 positions of the ones listed here are vacant. Are they concentrated in any one agency or are they throughout the department?

HON. MR. ANDREW: — I believe of the 29 that are vacant, 19 are on the comptroller's staff. That's not out of line because they have over half the staff in the department anyway, so they're roughly proportionate.

HON. MR. BLAKENEY: — Do any employees, other than the deputy minister and the minister, have an assigned CVA vehicle?

HON. MR. ANDREW: — No. There is a pool vehicle, as I indicated to you earlier, that is used by the investment people to track back and forth to the bank, etc.

HON. MR. BLAKENEY: — Does the minister have a Legislative Secretary?

HON. MR. ANDREW: — You bet. He's sitting right over there — Mr. Embury for Regina Lakeview — and he's a very good member as well.

HON. MR. BLAKENEY: — What duties has he performed for you, in his role as a Legislative Secretary?

HON. MR. ANDREW: — He handles virtually all the matters relating to PEBA, and virtually all of the questions relating to Saskatchewan Assessment Authority. He does much of the briefing with regard to treasury board. He sits in on treasury board and is active on that. He does some of the work, because of his banking background, with the financial investment services people and works in that area. I'm also responsible for the public service commission; he does a lot of work with regard to the public service commission. He generally works around the department in most areas. Quite frankly, he spends a great deal of time, and is of a great deal of assistance to me, with regard to the general area that we deal with in the Department of Finance, which, as you know, deals with virtually every department of government.

I also sit on the board of crown investments corporation, and he does a lot of the briefing with regard to that for me. He does much of the work that perhaps could be done by an executive assistant; many of them have extra ones for that. So he does a lot of briefing and a lot of research with regard to that. He does a great deal of work. I think he is far from overpaid for the work that he does.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — No one, I think, would wish to deny the need of the Minister of Finance for assistance. Can you advise whether or not he has travelled outside the province on your behalf?

HON. MR. ANDREW: — He has travelled with me outside the province on one occasion when we, along with Mr. Meiklejohn, travelled to the IMF in Toronto when the IMF and the World Bank had their meetings there I believe around Thanksgiving, some time in September or October. I believe that's the only time he travelled with me outside the province. He does travel on some of the trips outside the province, and any other trips that he has made on his own, speaking to things, conventions, etc., he does on his own.

HON. MR. BLAKENEY: — In reviewing the list of borrowings, I noted one last August where it was indicated that it was guaranteed by the province. Have all of the borrowings been in the name of the province or have any of them been in the name of a crown corporation? I'm not sure whether I'm reading this note properly. It almost looked like CIC or Sedco was in the name of the corporation.

HON. MR. ANDREW: — The two that I think you refer to are August 8 CIC, the borrowing was arranged by the Department of Finance in the name of CIC, and on December of 1982, another \$15 million was borrowed in the name of the municipal financing corporation, again arranged by the Department of Finance and handled through the municipal financing corporation.

HON. MR. BLAKENEY: — If I understand the situation correctly, that represents a change in policy to borrow in the name of a corporation with a provincial guarantee rather than a direct borrowing by the province. Could the minister indicate the reason

for the change of policy?

HON. MR. ANDREW: — I am advised by Mr. Meiklejohn that it's not in fact a change of policy, that they've done two about a year ago — one for CIC and one for somebody else.

HON. MR. BLAKENEY: — Is it intended that there will be a number of borrowings by, let's say, the power corporation or Sask Tel guaranteed by the government, or are these unusual circumstances?

HON. MR. ANDREW: — These would be unusual circumstances. Certainly there has been no policy change to move away from the standard way of borrowing money for the province of Saskatchewan through the one central borrowing agency.

HON. MR. BLAKENEY: — Since the minister has taken office, have there been substantial changes to the decoration, furniture, furnishings, etc., of his office suite?

HON. MR. ANDREW: — I haven't even so much as changed one of the pictures on the wall.

HON. MR. BLAKENEY: — And not acquired a water purifier for example?

AN HON. MEMBER: — I guess they got one of those.

HON. MR. BLAKENEY: — Well, there were a number of those I noted.

Were any aircraft chartered by the minister or any of his staff for flights outside the province since he became minister?

HON. MR. ANDREW: — Well, I think any of the . . . There was one trip I know that we made which was mostly Department of Finance officials, along with the Premier, at a quickly called meeting of first ministers at 24 Sussex. We were unable to make connections because the airlines were fogged in at Vancouver and we did take a Norcan charter — I believe six or seven of us. I'm not sure whether it was charged through finance or charged through Executive Council. That would have been the only other time. Any other trips made outside of the province would be done on commercial airlines.

HON. MR. BLAKENEY: — I don't want to make an issue of that. I know one can get caught. You're advising us that that's the only occasion you can recall of the finance department or its senior officials chartering an aircraft for out-of-province travel.

HON. MR. ANDREW: — It's the only one I'm aware of. The trips I've made out of the province haven't been very numerous and all but hat one have been on commercial airlines.

Items 1 and 2 agreed to.

Item 3

HON. MR. BLAKENEY: — Have you had occasion to make any substantial payments to a Mr. Terry Leier?

HON. MR. ANDREW: — Have I? No.

HON. MR. BLAKENEY: — Has the Department of Finance had occasion to make any substantial payments to a Mr. Terry Leier?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — In the course of supervising the comptroller's branch, from where undoubtedly cheques have gone to Mr. Terry Leier, can the minister tell me what agency of government may have contracted for services of Mr. Terry Leier?

HON. MR. ANDREW: — I would have a tough time being able to tell you that. I'm sure that that type of question could be directed at the overall with regard to Executive Council and you'd probably find the information there.

HON. MR. BLAKENEY: — The cheques may have been of such a size as might have caught the minister's attention when they were going through the comptroller's office, but I take it you think not.

HON. MR. ANDREW: — Not only that, but I don't intend to go through each cheque when they go through the comptroller's office.

HON. MR. BLAKENEY: — Some of them might have been brought to your attention though, none the less.

HON. MR. ANDREW: — Not that I know of, they haven't been.

Item 3 agreed to.

Item 4

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, what changes in the senior staff of the budget bureau have taken place?

HON. MR. ANDREW: — None.

Item 4 agreed to.

Item 5

HON. MR. BLAKENEY: — Mr. Chairman, I ask this question here, and I could ask it in a couple of others. Are there plans afoot for any reorganization in the Department of Finance, particularly one which would involve the BMI?

HON. MR. ANDREW: — There might be.

HON. MR. BLAKENEY: — With respect to the year which we are considering, have studies been made with respect to the desirability of a reorganization which would involve BMI?

HON. MR. ANDREW: — I suppose, when you say studies, I think there's been an ongoing look at how we deal with BMI and how it should perhaps appear in the future: should it be the same; should it

be different, or should it be modified. That type of thing is an ongoing type of conversation that you look at. I can assure you that there has been no decision as to whether changes be made or not, and when they are I think they would be announced. I am not sure that they would be of an earth-shattering nature in the world of government and politics. Any changes we would use there, we hope would make the Department of Finance more effective and able to deal with problems in a more effective way. But other than that I would say just a general overall view, I've had lots of ideas as to what you do and no decisions have been made yet.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, have Mr. Garven or Mr. Robinson recommended any changes that you would care to advise the House of?

HON. MR. ANDREW: — No, not that I know of, nothing specific on that, no.

Item 5 agreed to.

Items 6 and 7 agreed to.

Item 8

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, have there been any of these implemented in the last year?

HON. MR. ANDREW: — No.

Item 8 agreed to.

Item 9 agreed to.

Item 10

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, just a minute here . . . There's been a very substantial increase in that figure. Is there any particular reason for the two and one-half times increase?

HON. MR. ANDREW: — That number apparently reflects an improper credit to the consolidated fund when it should have gone to the student aid fund and had to be correspondingly corrected and that's what they're reflecting in the blue book.

Item 10 agreed to.

Items 11 and 12 agreed to.

Item 13

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I ask about these, the last three, 11, 12 and 13. Has any consideration been given to breaking those down and distributing among the various departments? It's a whole lot of work; it gives you a little better indication of the actual costs, the pay roll costs of the operating departments, and I'm wondering whether or not consideration has been given.

HON. MR. ANDREW: — Well, it hasn't been high on my priority list. It would probably reflect better for the department in the blue book, but no, we haven't. Perhaps it's

something we could look at doing.

Item 13 agreed to.

Items 14 to 16 inclusive agreed to.

Vote 11 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE — INTEREST ON PUBLIC DEBT — GOVERNMENT SHARE

Ordinary Expenditure — Vote 12 Statutory

Item 1

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, we know part of this is due to increased interest rates, and that cannot be laid at the door of the Minister of Finance. But part of it is due to the fact that he is running a very substantial deficit. Has he estimated how much it costs per annum to carry \$100 million of deficit? He has interest which may be 12 or 13 per cent varying a bit. The last Canada issue was somewhere between 12.5 per cent and 13 per cent. Many of the others earlier were higher. I concede that point. Then there must be some money for sinking fund payments that must be set aside — a couple or 3 per cent. So you are looking at as much as 15 per cent. So if you have \$100 million in deficit then that builds in a built-in cost of about \$15 million. If you have a \$200 million one, it builds in a cost of \$30 million and so on. Would the minister concede that those figures are approximately correct?

HON. MR. ANDREW: — Well, what I can concede from the information that I have here is that of the \$44 million, approximately \$14 million of that is to cover the interest on the deficit that's calculated at 13 per cent. The balance is ongoing interest costs with regard to government. So \$14 million of the \$44 million is what would be classed as interest on the public deficit, if you like. If that can answer your question with regard to these particular calculations, we can do that for you, as well, but it would take some time.

HON. MR. BLAKENEY: — Almost by definition that will not carry the deficit for the whole year because we've just incurred the deficit as we went along. By April 1, it will be in there for the whole year and the costs of carrying it will be, I trust the minister will concede, a good deal more than \$14 million in the next year — a good deal more.

HON. MR. ANDREW: — I would agree it will be more.

HON. MR. BLAKENEY: — Over twice as much.

HON. MR. ANDREW: — Well, I suppose that relates to interest rates. I suppose I can't predict interest rates any better than you can predict interest rates. If you can find me someone who is very, very good at it, then let me know.

HON. MR. BLAKENEY: — I concede the difficulty that the minister has. No one suggests that it's easy. That builds in an additional hazard in large budget deficits, so we just make the point. I make the point that this deficit will cost us, in the next fiscal year (and we will have an opportunity to argue about that a little later), I would suggest in excess

of \$30 million to carry the \$220 million — however much it turns out to be, \$220 million or such larger amount as it turns out to be — for the 12-month period commencing April 1, 1983. And that point should be noted — that we're talking about very substantial sums of money and regrettably they accumulate.

I am sure that we have all looked at the figures in the estimates put forward by the federal Department of Finance, which were in the paper last week, I believe, when we saw them outline the fact that their total operating cost of the government, excluding payments like old age pension and excluding the cost of operating the armed forces, was about 15 per cent of their net outlay. And that 15 per cent paid all the public servants, and say the armed forces, paid all the costs of operating their buildings and their travel expenses and all that sort of thing. And the interest on the public debt, federally, was about 21 per cent, fully one-third higher than the total cost of paying all of the public servants and all the travelling expenses and the cost of all their buildings and all their cars and all the rest of it.

That gives you some idea of where they have got themselves — what sort of a position they've got themselves in. And some provinces are in as bad shape as that. And I merely make the point that the consequences of that are coming home to roost for all too many people in Canada and it is, I think, imperative that this province not adopt the policy of continuous government deficits.

HON. MR. ANDREW: — I think perhaps we also have to bring that whole question into the light of day. When you say, "\$14 million to finance the deficit," relative to the cost of many other provinces to finance their deficit, I think we're stretching it a long ways to say that we're in serious trouble. That's point number one.

Point number two, by way of comparison. Let me talk about a deficit situation. Let me talk about maybe some situations where I believe perhaps the previous government has gone in error with some of the things that they had done. One in particular I look at is the previous government in the Saskatchewan-Ottawa energy agreement, which gave up what I believe was a very significant concession to the federal government for those five years. They gave up the right, in effect, of one government to tax another government, and that was the imposition of PGRT tax on Saskoil and on Sask Power and the, whatever the other one was called — NGGLT or something like that. That is costing Sask Power this year, 1982, the year 1982, \$85 million and that cost is going to go on each year for at least the next five years. It's costing Saskoil some \$17.5 million in PGRT tax and that's going to go one each of the next five years. That's well over \$100 million in the year 1982, and if we project that on over the next five years, that's \$0.5 billion. So I think perhaps I don't stand here to be criticized for interest on a public debt at \$14 million, when \$100 million is in effect given away, concede away on a legal point that I don't believe that the Government of Saskatchewan should have conceded on.

I can refer to many other ventures that perhaps the government got into; something like the Saskatchewan Development Fund, which was not a winner and I think even by your own admission you would admit that it was not and has not been a success. I can get into the question of perhaps the purchase of the P.A. pulp mill, at the value it was purchased at. It was purchased at the top of the line and of course as you know your government, or at least stated position, was that you were going to sell that particular operation. Well, I can assure you that the value of it now is a great deal less than what you paid for it.

I can go on and on in various other things that you purchased and bought into that

didn't make a lot of money. So I think when you look at these you have to also bring them into perspective. And when I look at the deficit of that size and I look at something like the Sask Power (\$85 million this year, probably to go higher), I would say that you maybe should look at yourselves sometimes and ask yourselves whether maybe you didn't do that good a job either.

HON. MR. BLAKENEY: — The particular arguments with respect to the oil pricing agreement are . . . I think they are in the category of being amusing since the running room for the Government of Saskatchewan, after the Government of Alberta had signed an agreement, was next to nil and we all know that. And that's what it will be again if Mr. Lougheed and Mr. Trudeau reach an agreement; the Government of Saskatchewan will have to follow. And it would be nice to think that we had enough oil to dictate the terms of the agreement, but such was not the case . . . (inaudible interjection) . . . and with respect to whether or not any grants are paid by power to . . . (inaudible interjection) . . .

I am a little surprised at the interjections by the folks who are in fact interjecting, but with respect to the oil pricing agreements, the suggestion that there was a great deal of negotiating room for the Government of Saskatchewan is interesting, and one would wish it were so, but only the highest degree of unrealism would suggest that that was the case. With respect to some of the other propositions, fair enough, one can argue about the price of this purchase or that sale and those are legitimate. The oil pricing agreement is, with every respect to the Minister of Finance, not a legitimate argument.

MR. CHAIRMAN: — Any more questions?

HON. MR. BLAKENEY: — With respect to the interest on the public debt, does the Minister of Finance have any comment on the trend of interest rates as he sees them in the next 12 months? And obviously this is a smoke and mirrors operation, but you have got some excellent advisers, at least in my judgment, and I wonder whether you would care to venture an opinion.

HON. MR. ANDREW: — The best you can get is going to be this: that we wouldn't see the interest rates turning around significantly and going up in 1983 and that's obviously quite risky. I think it's clearly something far beyond the control of the Government of Saskatchewan and probably beyond the control of the Government of Canada.

We look at things like the oil pricing with OPEC and how that's going to happen — obviously that impacts on the economies of the world and how that is going to happen, I don't know. I suppose the advice would tend to be that if oil prices drop, that would tend to probably push interest rates down even a little bit lower.

I think all that I can say is it would be the hope of me that interest rates would in fact come down a bit more, because the interest rate policy pursued by whoever was at fault with it — certainly the impact of it, on basically stagnating the economy — I question the wisdom of that policy, as I think most politicians would question the wisdom of that particular policy.

I think all people have paid the price across this country, perhaps some more than others, perhaps some businesses more than others, perhaps some consumers more than others. But it certainly has been a scorched-earth policy if one ever saw one, and I would hope that we would not have to return to interest rates of 20, 25 per cent,

because should we find ourselves in that situation again the impact that it will have on the economy will be horrendous and would be very difficult for people to absorb.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I am pleased to hear the minister's remarks. The particular views he expressed were expressed by our government and by the Government of Alberta, particularly, with all the force we could mount attempting to argue against the proposition that we needed the continued high interest rates in order to damp down a runaway inflation. It seemed to me that they switched their policy some considerable number of months too late — some considerable number of months — and this was a point of view which was put strongly, and I gather is shared by members opposite as it was by our colleague governments here in western Canada.

**CONSOLIDATED FUND DEBT REDEMPTION, SINKING FUND AND INTEREST
PAYMENTS**

FINANCE

Vote 55 — Statutory

Vote 56 — Statutory

Vote 57 — Statutory

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

RESOURCES DIVISION

FINANCE

Ordinary Expenditure — Vote 12

Item 1 agreed to.

Vote 12 agreed to.

SUPPLEMENTARY ESTIMATES

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

RESOURCES DIVISION

FINANCE

Ordinary Expenditure — Vote 12

Item 1 agreed to.

Vote 12 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Item 1 agreed to.

Vote 11 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN MUNICIPAL FINANCING CORPORATION

Vote 51 — Statutory

Item 1

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, would the minister outline the policy which he is pursuing with respect to interest rates charged by the municipal financing corporation, in relation to the cost of acquiring money that he is incurring?

HON. MR. ANDREW: — There's been no overall change in policy, in the sense that usually it's a monthly meeting and we bring it down. We're riding approximately a quarter or a half point above what we can borrow money at, and each month that either goes down or slightly jumps up again. It's the same type of policy, basically, that provides the municipal corporations with the access to money approximately as cheap as we can borrow it for them. So, there's really no change there.

HON. MR. BLAKENEY: — I understand the minister to say that the policy is really the cost of borrowing plus the very small handling charge, as you might call it. The corporation, then, might be expected to break even. It was losing money a little bit because of an unwillingness to charge the municipalities the very high rate at the peaks which money was acquired from banks at short term. I take it that we're back at a situation where the corporation will be charging approximately its cost plus the small margin.

HON. MR. ANDREW: — We're charging the cost and the additional quarter or half is not to cover any administration costs. The administration is virtually nothing on it. It's the loss that you might have on one in the rate being a little higher or paying it out. So, it's geared that way; it's geared to be a break even situation — nothing but that.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PROVINCIAL AUDITOR

Ordinary Expenditure — Vote 28

Item 1

HON. MR. ANDREW: — I wonder if I might ask a question as to whether there will be a long series of questions with regard to the public employees' benefit agency. Mr. Palmer, who runs that, broke his arm yesterday and is not able to attend. I would try to fend off the questions the best I could. I don't pretend to be an expert on it. I'm not sure

there's a great deal of controversy on that anyway. I just wondered if we had any questions. Certainly, I would undertake to get any information for you, but if it's not going to be done we could perhaps resolve that one as well.

HON. MR. BLAKENEY: — Mr. Chairman, I think I speak for my colleagues in saying that we had some questions essentially with respect to how many employees were now in. We don't need the information tonight. We have some questions which we will seek information on, but I think we could do it tonight without Mr. Palmer.

MR. CHAIRMAN: — Would the minister introduce his officials?

HON. MR. ANDREW: — I somehow take exception to these people being referred to as my officials, but I guess that's the way the world is. Willard Lutz is the provincial auditor. This is Mr. Bucknall and Mr. Wendel.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I'm referring to the staff of 72 members. I note that it is the same as last year. Is it the view of the minister that the staff complement is sufficient to permit the auditor to do the increasing job which appears to be arising?

HON. MR. ANDREW: — Well, I'm sure that will become a contentious issue. I would have hoped — and I simply throw this out as a suggestion - -that when the rules were changed, one particular rule that was allowed and that could be used was that certain estimates could be delegated to the estimates committee, where a lot of the details could come and those questions could be directed particularly at Mr. Lutz. I would find it, I'm sure, somewhat difficult to sort of stand here and say that he doesn't want more staff — clearly he would want more staff. I suppose it becomes a question of, like everything else . . . I suppose every department could use more staff people, and probably operate more efficiently with more staff people. Clearly, I think, Mr. Lutz, over the years, in his reports, has indicated that he has always found difficulty with not having enough staff people and enough qualified staff people. I would doubt very much that that is any different now than it was two years ago, one year ago or three years ago. I suppose it's something we will have to address over a period of time. I do hope to introduce legislation, as I announced earlier, in the next session, that will create a new statute, a particular act to deal with the provincial auditor. It will no longer be under The Department of Finance Act. I think that type of thing will move it in the direction of perhaps being far more on its own. How we stage that toward, however you might want to do that . . . It seems to me that it's a department that probably should be subject to, and can, of course, be subject to questioning in the public accounts committee with regard to the staff component. It always has been in the past and my experience in that department has been that the answer was usually the same — that, you know, we need more people, and we have a tough time competing with the private sector or with the corporate or the crown or otherwise sector, for chartered accountants, etc., to do that work.

Having said that, I do trust that while they may be getting by with fewer, they are probably getting by, and I think that they haven't found themselves in a tough situation.

Mr. Lutz indicates that they now have more C.A.s than they have positions for and that's the first time in history that that, in fact, has happened. Perhaps C.A.s are easier to come by these days; I don't know.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, there's been one other question I wanted to ask in this general area. If the minister suggests that there is another forum which would be more appropriate, I certainly won't press it here. It may be difficult for the minister to answer. It has to do with the relationship between the provincial auditor and the private firms that audit a number of the crown corporations, and what the provincial auditor perceives to be his duty and his role in those circumstances. How much of a . . . I think I'd stop right there: what he's perceive to be his duty and his role under those circumstances.

HON. MR. ANDREW: — The outside auditors are primarily involved in the resource crowns. The advice from Mr. Lutz is that the problem that he would be experiencing with them would be the legislative compliance. I say that not knowing exactly what it means. They tend to be more like the private sector type audit that tend to do the attest function only, and perhaps not going beyond that.

MR. KOSKIE: — Yes, I just want to direct a question to the minister, Mr. Chairman. As the minister will be aware, during his term in opposition one of the areas that he indicated a considerable amount of support for was the concept of comprehensive auditing. As I recall the fact, and for those that weren't here, the minister took a position that comprehensive auditing was indeed what this province needed. In fact he felt so strongly about this particular issue that when he was chairman of the public accounts committee, the matter, in his opinion I suppose, was not moving fast enough. As a consequence he resigned from acting as chairman of the public accounts committee. Certainly since the minister, in my view —and I think all members that were here at that time will agree — felt strongly toward comprehensive auditing, I'm wondering, now that he is in the cabinet, the Minister of Finance, if he could indicate whether he feels as strongly today as he did when he was in opposition, and if he would indicate what steps he has taken to date to implement that very important policy of comprehensive auditing.

HON. MR. ANDREW: — Well, I think I would like to correct the reason around the resignation back in the days as opposition. What we were doing — and I was chairman at that point in time — is we sought as a committee to study comprehensive auditing. Some advocated it and some didn't advocate it. What we did was attempt to study the concept, not that we were going to recommend it, but we thought that we should hear from the people that were in fact bringing it in.

What happened is that we arranged for such notable people as J.J. Macdonell and the late Robert Andras, former minister of treasury board, I think, while that was coming in, and the provincial auditor from the province of Ontario . . . Between myself and one Mr. John Skoberg, the vice-president of the public accounts committee, we arranged it through the Clerk's office to have those people come. The thing that I suppose bothered me the most, and I think bothered John Skoberg, quite frankly — he resigned just prior to me — was that the government of the day used their strength on the committee, their numbers on the committee, to in fact not even allow the committee to look at the question.

That's a far different thing between arguing whether comprehensive audit is good or comprehensive audit is bad. That argument can go on, and does go on in all quarters. The question was, you were hamstringing a committee of the legislature to in fact look at something. That was the thing that irked me. That basically said that the committee was not functioning, was not performing any more. So I'd just like to clear that point up. It was the process by which the committee functioned that both caused myself and Mr.

Skoberg to resign from that committee.

With regard to comprehensive audit, I think that clearly as times changes, I would suggest that attest audit, which was the traditional auditing function of governments, and of the private sector if you like, has probably served its course and we must move toward a system that does more than simply the attest audit function — go beyond that and determine that — and I think that clearly we will be moving toward that. Any statements I have, have indicated that we would move toward that, but I suppose in my conservative way I think we should probably move one step at a time and put one foot forward first. I think you're going to see some changes in the next session with regards to the act.

I think that was one of the things that Mr. Lutz has identified in his provincial auditor's report over the various years that I have been here, that, number one, he thought he had to have the independence, and not only the independence but the perception of independence. So we're going to be moving in that direction.

We will move further from that type of thing into various other ways that we can perhaps amend it. One I would think is the defence of the estimates before the forum of public accounts or before some other forum, and not through the Minister of Finance. I think that in itself would be a positive step. If you look at independence, or perception of independence, for me to stand in this Assembly to defend the provincial auditor in itself seems to me to be a rather strange form, quite frankly. So, yes, we are moving in that way and we're going to be moving in steps that way. I can assure you, my friend, that we are moving far quicker than the previous government ever thought of, ever planned on doing, or ever would have done, had they remained in government.

MR. KOSKIE: — I just want to indicate, and I don't want to get into a debate in respect to the facts, but I think your interpretation that we were not prepared as a committee, and the government with their majority was not prepared, to look at comprehensive auditing is not in fact accurate. Because we were prepared, as I recall and I was on the committee, to look at comprehensive auditing from the position of finance and from the position of the provincial auditor, and at that stage to determine, having the knowledge from the provincial auditor and from the Department of Finance, to move on to another form of other experts which you indicated.

So, I don't think it's accurate to say that the government, with its majority, made it impossible for the examination of comprehensive auditing. Indeed we did look at a position of the Department of Finance. I think we also had some position papers in respect to the provincial auditor, if I remember correctly.

All I want to say is that I am certainly hopeful about the principle of comprehensive auditing, which the Minister of Finance, when he was in opposition, in my opinion, clearly supported. I hope he will have a timetable in which this comes forward. I don't think that he can now look back and say, "Well, the previous government didn't move." This was a principle which he supported. This is a principle which he went to the press with in criticizing the *Public Accounts* as they existed under the then government, and therefore I would think there is an obligation for him to follow through on the particular position that he took as a member of the opposition. And certainly we will be following that up with interest and hope that the minister will be acting forthwith in respect to that.

HON. MR. ANDREW: — Well, I can say that in the last composition of this legislature I

probably stood alone among 64 members, with an interest in a call for comprehensive auditing. I don't deny that; it's clearly on the record. I can say that the colleagues around me in the opposition at that time and pretty well everybody on the government side at that time did not see it as a very significant issue. I am encouraged by the fact that now more members than myself see it as a significant issue. When something like that becomes more significant, time usually leads to change. I can say that obviously views one had while in opposition were intended to be spoken as a particular person, more so than as a caucus position a lot of the time. Certainly some of those things come home to haunt you if you like and I can acknowledge that. I am a minister among a cabinet, and a member of a caucus, and some of the views that I particularly have are not necessarily shared or carried by the others. And the parliamentary system of government is such that whatever decision is taken by the government, the member of the treasury bench supports that. And clearly that principle I think is fundamental to the parliamentary system of government, a principle that I would follow.

I do suggest, and I have suggested earlier, that comprehensive audit is going to be coming. It's going to be coming not only in government side and government circles, but also coming in the private sector. I think it's an important thing to look beyond the attest function. I think you're going to see it happening and I'm sure that during the time of our administration you are in fact going to see comprehensive audit in the province of Saskatchewan.

Item 1 agreed to.

Vote 28 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

PROVINCIAL AUDITOR

HON. MR. BLAKENEY: — I don't know whether this is in order, but what change of policy has produced no payments to private auditor firms in connection with the audit of clients not financed by legislative appropriations. Why was that true last year and not true this year?

HON. MR. ANDREW: — I'm advised that the reason for that is it's for convenience sake. It's been just now lumped into the one vote as opposed to separating it out.

SUPPLEMENTARY ESTIMATES (NO. 3)

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PROVINCIAL AUDITOR

Ordinary Expenditure — Vote 28

Item 1

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I just want to pursue that last point and we're here. We have a supp here. Does that mean that if the private firms are being paid \$50,000 or \$100,000 or whatever their fees are, that that gross sum is in the 3.1 million in the subvote 28 and there is a reimbursement showing up somewhere else? Or is it netted?

HON. MR. ANDREW: — It's apparently a gross figure and the revenue has come in from the consolidated fund.

HON. MR. BLAKENEY: — I have two questions than with respect to this 10,000. Last year — and it is obviously to go into the gross amount — is this part of the money? How much is going out to the private audit firms in connection with the audit of clients not financed by legislative appropriation? How much is in subvote 28 then — plus the \$10,000 which we have under review —to put it in proper order?

HON. MR. ANDREW: — I'm advised — and bear with me if it's not that clear an answer — approximately \$25,000 was spent from outside auditors and it was basically to try to consolidate from those accounts that were handled by outside auditors for the particular crown, and to co-ordinate that with the balancing or the finalizing of the CIC situation. So, if that can sort of handle your question . . . The only thing that was contracted out was that amount, basically using the auditors with the firms, I take it, that would do the audit for the potash corporation or for Saskoil or for SMDC to co-ordinate the thing up to the date of the CIC balance sheet.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, that 25,000 you refer to would correspond with the 50,000 which was in the item for the previous year which appears on page 113 of the printed estimates.

HON. MR. ANDREW: — I think the answer to that is correct, that it was. In other words, if you're getting at the details I'm sure you could ask Mr. Lutz by picking up the phone and getting the details from him with regard to that. With regard to any change of policy, if that's what you're looking at, with regard to outside auditors, that has not in fact taken place and will not in fact take place.

Item 1 agreed to.

Vote 28 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PROVINCIAL AUDITOR

Ordinary Expenditure — Vote 28

Item 1 agreed to.

Vote 28 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PUBLIC EMPLOYEES BENEFITS AGENCY

Ordinary Expenditure — Vote 34

Item 1

HON. MR. ANDREW: — If we could move to doing public employees benefits agency and public service superannuation board — as I indicated earlier, I'm not sure that I can answer all the questions, but I would certainly undertake to get the information back to you as quickly as I possibly can.

I believe there were a series of questions the Leader of the Opposition had for me, and if he could lay out all those questions, I will try to answer the ones I can. The ones I can't, I would get back to him.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I didn't have clearly in my mind what was encompassed in the public employees benefits agency. That is a new title which has been the public service superannuation board and is designed to cover the administration of what I might call the old plan and the new plan and the group life and other benefits. Is there anything else in this subvote other than those functions?

HON. MR. ANDREW: — I can advise the hon. member that we have made absolutely no changes with regard to PEBA in the last nine to 10 months we've been in office.

MR. LINGENFELTER: — What about the administration of the long-term disability levy? Would that fall into this area?

HON. MR. ANDREW: — You're talking about the disability plan that's presently in dispute with regard to SGEU? That's in the Public Service Commission.

HON. MR. BLAKENEY: — And, Mr. Minister, I doubtlessly should know the answer to this, but I don't: why the substantial increase in staff from 14 to 25? That seems a rather startling increase since there has been no particular program change in the last year.

HON. MR. ANDREW: — I will undertake to get that answer for the hon. member. All I can say is that I think if you would refer that, it was not an additional number of people that we simply hired. I think under your administration that what you were doing is consolidating a lot of the things under the public employees benefit agency that were otherwise being handled by a different departments, etc. It's sort of an ongoing consolidation under public employees benefit agency to try to maximize the amount of benefits that they can achieve for the employees of different departments or that type of thing.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I wonder if I can ask you to obtain for me a table indicating the number of employees who are covered by the (what I might call the old plan) public service superannuation plan and the number who are covered by the public employees government contributory superannuation plan. You can do it either with respect to the public service proper, or you can give me a breakdown of how many are under the old plans, meaning public service, power, telephones, liquor board and WCB, and how many are under the new matching contribution plan . . . (inaudible interjection) . . . Well, not particularly how many moved, although if you want to put all that extra, but the result of how fast we're moving to get people onto the new plan.

HON. MR. ANDREW: — I would undertake to get that information for you, and appreciate what you are looking for there, that you would like to get them off into the new plan quickly too.

HON. MR. BLAKENEY: — As the member for Rosthern will know, under the new plan there can be an unfunded liability or virtually none, and I suppose the biggest single problem, and this is not strictly in order here, from a long-term point of view is the teachers' plan. If you care to add it to save me the trouble of asking the next minister how many are under the old teachers plan and how many under the new government contributory teachers plan, that would give us more or less a picture of what is happening. I wonder if I might ask whether or not it is the policy of the government to give employees opportunities to switch over from the old plan to the new plan. And there are clear long-term advantages to that and clear short-term problems because it adds up a short-term bill.

HON. MR. ANDREW: — Okay, it's an area that we are studying right now. Just exactly how we effectively do that and, of course, the cost restraints that we have of in fact doing it is certainly an area we're looking at and we haven't come down with a firm policy or number that we could give you at this point in time.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, it was my recollection that some of the changes either made or proposed in the legislation during this session were such as to make it somewhat more difficult for people to transfer, and I wonder if the minister would comment on that. Is my recollection faulty or not?

HON. MR. ANDREW: — I'm afraid I can't answer that question for you.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, this issue will keep until another four to six weeks of it. I'd like to make a brief statement in that in my judgment the Government of Saskatchewan should, to the extent that money permits, encourage employees to switch over, particularly young employees, to the government contributory superannuation plan. It is certainly to the benefit of the government in the long fold not to have a very large unfunded liability.

It is my further view that the government contributory superannuation plan is going to prove to be not an adequate plan and is likely to have to be augmented at some future time. But when the government has to augment that, 25 or 30 years hence, it will have an enormously solid base on which to operate, and will need probably only to augment it modestly, and will not have to make the very substantial infusions of cash that every government in Saskatchewan has had to make in order to make the statutory, the old plan, acceptable, and I'm now speaking of the payments to superannuates.

I think that the government contributory plan does not contain any protection for guaranteeing for the level of payments to superannuates, and that is a problem. I think it will have to be addressed by a future Government of Saskatchewan, but I don't suggest that we should be addressing it now. We are now paying for what amounts to two superannuation plans at the current time. We've got one going on a pay-as-you-go basis and we're fully funding another, and that is probably enough for this generation.

When we have made a large bite in the old pay-as-you-go plan — that presents problems in the public service and the teachers, but not in power and telephones and those others, which are virtually fully funded — when we've made a large bite in that then I would hope that some future government will look to see whether or not there shouldn't be some additional component added to offer our protection for the superannuation allowances of people who are paid under the government contributory plan. If there is any rapid rate of inflation, there is going to be a problem there, so that is the broad direction which the previous government was moving. I commend it to the

new government for consideration. There is obviously nothing urgent about it. If we can continue our payments under the old plan and get a good number of people under the government contributory plan, we will be doing right by the next generation, if I may say so, and they can address some of these further smaller problems which we will be leaving.

There is no question that the unfunded liabilities have potential for trouble if they crest at a time when a government is otherwise in financial trouble, as in the city of New York or someone else who will be able to attest. And there are, I suggest, a good number of governments in Canada which are not fully taking into account the potential for unfunded liabilities cresting at the wrong time.

The Government of Saskatchewan has been prudent in many ways. The WCB workers have the accident fund, and the WCB superannuation fund and the power superannuation fund and the telephone superannuation fund are substantially fully funded and I believe the liquor board equally. Power and telephones are considerable sums of money and the accident fund is not a small sum of money. The teachers and the public service are the problems. They're being addressed and I would think that if we carry on, and I urge the government to carry on, then we will have acted appropriately, be acting prudently without panicking, if I may put it that way, and I think that this is what the situation requires.

I make that statement because I think it is of some considerable long-term interest to the financial liability of governments, what they do with pension plans with very substantial unfunded liabilities. And this is true with respect to social service in the United States and Canada Pension Plan here. And we're going to know more about the Canada Pension Plan in the next 10 years, about what the price tag is.

I think that we in Saskatchewan always have a somewhat more fragile economy. I hope it won't always be so but we must assume it to be so for some time, and therefore be a little more prudent in that regard. And that's the road we took and the road the present government is I believe taking, and I commend it to them.

Item 1 agreed to.

Item 2

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, this amounts to the payments pursuant to the statute to people who are on superannuation. Nothing is contributed to the fund and all of it is paid to the superannuates out of that \$20 million. Is that right?

HON. MR. ANDREW: — Correct.

Item 2 agreed to.

Items 3 and 4 agreed to.

Item 5

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I ask the minister whether any change of policy is under consideration with respect to people who have been under the old plan and who worked for the government for less than 10 years. I believe as it now rests, their claim only is to get their contributions back plus interest without any

share of the government's contributions, because there aren't any contributions, and without any absolute right to transfer over to the government contributory superannuation plan and thereby capture government contributions. I believe that to be the case and I ask whether or not any consideration is being given to permitting people who, let us say, have been under the old plan for three or four years, if they're leaving the government to put their money into the new plan there accumulated, and recapture the government contributions, and then it's frozen in.

HON. MR. ANDREW: — To answer the question specifically, we are looking at an overall review. I haven't had anything back from Mr. Palmer as to the suggested way that we go with regard to that, other than to say that it is an ongoing and problemed area that we find ourselves in, and I think all governments, as the hon. member has referred to, find themselves in, and in all likelihood an area that will probably have to be addressed more and more collectively by governments and not simply one here, and one here, and one here, going in different directions.

It is a very large problem, and I'm sorry I can't be more specific about the answers to it. We are looking at pensions, as to just how we're going to address them, and when we come down with a recommendation, a proposal, then we would act on that accordingly. But at this point in time, it is still at the investigation stage.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, thank you, and I would ask the minister to accept as an objective the idea that everybody who works for more than two years or some minimum figure be, generally speaking, locked into a pension plan and have a right to the employers' contribution and that it go in the pot.

As my former colleague, Wes Robbins, would be prepared to illustrate with all manner of charts, this is the only way we're going to get adequate pensions. I urge the government to consider it. The problems surround the fact that we're only one, and if we pension up everybody in Saskatchewan, we tend to mean that we're going to lose some benefits out of the federal pot, but none the less, I think we ought to look at that because I think that's the way to go, not only here, but everywhere in Canada.

HON. MR. ANDREW: — We'll undertake to look at that overall thing.

Item 5 agreed to.

Items 6 and 7 agreed to.

Item 8

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, what new plans have been added to the list with whom we had reciprocal arrangements in the last little while?

I thought I saw one from Manitoba rolling through — the Manitoba public service. Let me put it this way. Could you let me know what new plans have been added?

HON. MR. ANDREW: — I will undertake to do that. I'm not sure the Manitoba one has been finalized yet. It's certainly been worked on and tried to resolve.

Item 8 agreed to.

Items 9 and 10 agreed to.

Item 11

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, without opening up that subject, has a deal been made with the Sask Government Employees' Union on this? Is it operational and non-operational, the disability part?

AN HON. MEMBER: — Non-operational.

HON. MR. ANDREW: — I think that question could be more appropriately put when public service commission comes up. We can deal with it then; I'll have officials to be able to address that better.

Item 11 agreed to.

Item 12 agreed to.

Item 13

HON. MR. BLAKENEY: — I give notice that I will ask a couple of questions under PSC, who will know a little bit about the disability plan, the employees' group life and the public employees' dental plan.

Item 13 agreed to.

Item 14

MR. SHILLINGTON: — Thank you very much, Mr. Chairman. If the minister indicates he wants to leave this subject until your chairman from public service superannuation commission is with you, I'll do so. the subject I intend to raise is the question of increments for superannuants who have gone by — increases for superannuants. I want to discuss the issue with you and ask some questions on it. If you want to deal with it when Mr. Bock is in the House, that will be fine so long as it's agreed to.

HON. MR. ANDREW: — Yes, that's fine. I would undertake to take those questions and get the answer back if I haven't got the information. It's with regard to the increases for superannuants, as to what form you use, as to whether you have a bill each year in the House. I take it that's the line of questioning.

MR. SHILLINGTON: — . . . (inaudible) . . . to take such steps last spring. Yes, I want to raise such issues and I will be as kind as I can about what's a very sensitive issue, I'll tell the member for Rosthern. If I have your undertaking that we can discuss that when Mr. Bock is here, that's fine, so long as I don't lose the opportunity to raise it.

HON. MR. ANDREW: — You will not. I will undertake to answer those questions at that time.

Item 14 agreed to.

Item 15 agreed to.

Vote 34 agreed to.

SUPPLEMENTARY ESTIMATES
CONSOLIDATED FUND BUDGETARY EXPENDITURE
PUBLIC SERVICE SUPERANNUATION BOARD
Ordinary Expenditure — Vote 34 Statutory

Item 1

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, can anyone recall what that was about? I recall that that fund was melded and there must have been a . . . (inaudible) . . .

CONSOLIDATED FUND BUDGETARY EXPENDITURE
THE SASKATCHEWAN ASSESSMENT AUTHORITY
Ordinary Expenditure — Vote 44

Item 1

HON. MR. ANDREW: — The reason that finds itself in the Department of Finance is because there was always a bickering between rural affairs and urban affairs and education with regard to assessment. It's simply the . . . (inaudible) . . .

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, the Saskatchewan assessment commission should be a non-controversial agency since it does what is essentially a skilled professional job, one which ought not to be in the realm of controversy. In fact, however, there always seem to be a number of questions arising and they arise under two or three different headings.

There seems to be a perception that reassessments don't happen often enough, and that we ought to get on a cycle which is somewhat more rapid than the current cycle. This is argued for two or three reasons. One of them is that when one uses an old assessment it becomes progressively out of date even if you do index it in some way. There are problems because the base is distorted.

Two, there is a belief (I think more or less unfounded, but with some modest basis) that if one community is operating a new assessment and one on an old assessment, one or other of them is going to come up short on school grants or any of the other grants which are based upon assessment.

There is a third argument, and that is that when you do get a new assessment, then some very substantial changes can take place which distort the tax structure significantly, a la Moose Jaw of a couple of years ago when there was apparently a fairly substantial tax shift (I believe from residential to business, as I recall it) at that time, and while all the residences had their assessment go down, the businesses that were facing a tripling of assessment were not amused. And nobody argued that the overall result was particularly unfair. They argued that the transition from A to B was either unfair or too abrupt or something.

So, I raise these issues and ask the minister . . . I will back up a little. When the assessment authority was set up, there was a decision made to put some more resources in there to see whether we could shorten the cycle, and I note that you have an extra 10 people in assessment services.

What I think I am asking is: is it now thought that the assessment cycle can be significantly shortened with the extra staff or is it likely to be a long haul?

HON. MR. ANDREW: — I think the biggest plus to it is when the computerization is up and running. At that point in time, I think you'd be able to rationalize it a lot better. I suppose there's never going to be any kind of a fail-safe system or a system that satisfies everyone. I suppose we're going to always have the problem, but it would be our hope that, when the program gets up and running, we should be able to start dealing with the problem in a more reasonable way because of the speed of information transfer, etc. So, I hope that will start to address the question which has been a thorny question for, I suppose, all governments for some time.

HON. MR. BLAKENEY: — For a typical city . . . I think I'm right here in saying that Moose Jaw was just reassessed a couple or three years ago. In the ordinary cycle, when would we look for Moose Jaw to come up again? Could they hazard a guess?

HON. MR. ANDREW: — The statute requires a 10-year turnover. I suppose, at this point in time, it probably takes most of that 10 years to get them done. At some point in time, perhaps we could do it more quickly. Perhaps we could find better mechanisms to do it by which the cities maybe would handle it, or a variety of ways. I don't know. That's obviously something that we'll have to address, but it's 10 years at this time.

HON. MR. BLAKENEY: — Ten years I not too bad, really, if we could stick with that. I suppose it could be cut down to nine or eight over time or something. Is it thought that we would be, with the staff complement we have, able to meet a 10-year deadline for substantially all of the municipalities in Saskatchewan — rural and urban?

HON. MR. ANDREW: — With the computer, we will be able to do that.

HON. MR. BLAKENEY: — Are the municipal associations now reasonably happy with the prospect of our being able to do that? Have you had any discussions with them?

HON. MR. ANDREW: — They would like to reduce the 10-year cycle, obviously, but I would say generally they're happy with it. They're particularly happy with it when we pay for it and not them.

HON. MR. BLAKENEY: — Could the minister indicate when he feels that the computer program will be effectively operating so as to be able to handle the material produced by the assessors?

HON. MR. ANDREW: — I'm advised that all the main elements should be up and running by June of 1983.

HON. MR. BLAKENEY: — How many professional people as assessors do you have on staff at the present time?

HON. MR. ANDREW: — I believe the number — stands to be corrected one way or the

other — is 42.

HON. MR. BLAKENEY: — Just one more question: are there any unresolved questions with respect to getting the new program going — any significant unresolved questions?

HON. MR. ANDREW: — I'm advised that some of the policy decisions have been submitted to the assessment review advisory board and should be dealt with in due course and should be on, up and running. They don't anticipate any problem with it.

HON. MR. BLAKENEY: — Have there been changes in the assessment advisory board in the last year, in the personnel?

HON. MR. ANDREW: — Okay. The only changes have been . . . Dan Gilewich is now deputy minister of rural affairs. He's in place of the previous deputy minister and the deletion of the deputy minister of northern Saskatchewan from it is just a matter of having someone to fill that position and not . . . (inaudible) . . . staff and that.

HON. MR. BLAKENEY: — With the large increase in expense, particularly in other expenses, but the other item, 438 to 710 for the same number of employees, could we give a brief explanation of the half-million extra with the same number of employees?

HON. MR. ANDREW: — We don't have that information — we will undertake to get it for you — other than to advise that it's not to reflect significant increases in salaries of the people working in that particular department, whether it's the computer or whether it's the transfer of DNS and some of those adjustments there. But they will get it for you and send it to you, but that's where it is and they just don't have that information.

HON. MR. BLAKENEY: — Mr. Chairman, that's quite satisfactory. I'll get it from the minister.

Item 1 agreed to.

Items 2 and 3 agreed to.

Vote 44 agreed to.

SUPPLEMENTARY ESTIMATES (NO. 3)

CONSOLIDATED FUND BUDGETARY EXPENDITURE

THE SASKATCHEWAN ASSESSMENT AUTHORITY

Ordinary Expenditure — Vote 44

Items 1 and 2 agreed to.

Vote 44 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

THE SASKATCHEWAN ASSESSMENT AUTHORITY

Ordinary Expenditure — Vote 44

Item 1 agreed to.

Vote 44 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PUBLIC SERVICE COMMISSION

Ordinary Expenditure — Vote 33

Item 1

MR. CHAIRMAN: — Would the minister introduce his officials?

HON. MR. ANDREW: — David Bock, Tor Ueltheim, Pat Bugera, Lorne Koback, Murray Bender.

MR. LINGENFELTER: — Yes, Mr. Chairman, and Mr. Minister, I have a number of routine questions. I think that some of them probably have been answered, Mr. Minister. In terms of your personal staff, I believe you mentioned earlier you have one executive assistant; does that include for this department as well?

HON. MR. ANDREW: — I have one special assistant in the public service commission, one Ron Larson . . .

MR. SHILLINGTON: — On a point of order, we couldn't hear the minister's response. I'm not sure why. I couldn't hear the minister's response to that last question.

HON. MR. ANDREW: — I indicated I had a special assistant, a person classed as a special assistant, one person by the name of Ron Larson that works at the public service commission, over there. He's not in my office per se.

MR. LINGENFELTER: — Can the minister give me the name of, not the name, you have already indicated that, but the salary of that individual and whether or not he is assigned a CVA vehicle?

HON. MR. ANDREW: — He does not have a vehicle. I will undertake to get the salary.

MR. LINGENFELTER: — Another question on CVA vehicles. Maybe the minister could indicate whether or not any other employees are assigned a full-time CVA vehicle. This wouldn't include if you have a pool of cars, one or two, but are there any other employees who have vehicles assigned to them as individuals?

HON. MR. ANDREW: — Mr. Chairman, one CVA vehicle assigned.

MR. LINGENFELTER: — I wonder if the minister would mind sending across a list of his people who are with him. I missed some of the names, if you would do that for me.

Another question I would like to ask: how many times was the executive aircraft used by the minister and members of his staff since May 8?

HON. MR. ANDREW: — Okay, I can advise that the only person to use the executive aircraft in the term that I've been in office is Mr. Bock. I think there's an order for return indicating the number of times I used that. That will be made available when it's set up. But as far as answering the question, any time I would use a CVA vehicle I would do it in my capacity as the Minister of Finance as opposed to the minister responsible for the public service commission.

MR. LINGENFELTER: — As well, I would like a list of the entertainment expenses of the minister as well as people in his department, and similar to what we've been asking earlier — not very trivial amounts, but let's say in excess of \$10 receipts.

HON. MR. ANDREW: — Once again, I can advise the members that any expenses that I would use would show in the Department of Finance and we will undertake to get that from the public service commission. Just to advise you, any ones that I can recall, because you have to sign over such and such an amount, have been very, very few.

MR. LINGENFELTER: — Mr. Minister, on another subject it has come to our attention — it's something we have raised before — in terms of the hiring practices of the government, the Conservative government, this letter on government stationery you'll be aware of, dated August of 1982, addressed to people who are applying for jobs with the civil service of Saskatchewan which in part says. "Enclosed please find an application" and ". . . forward the application to R.L. Forsyth, 102 Leg Building, Regina, Sask."

I wonder if this practice of hiring by sending your application to the Legislative Building and, I believe, what was part of the transition team is still in place, or has that been suspended in light of the turmoil that has existed in terms of guidelines and political involvement in the civil service to date.

HON. MR. ANDREW: — That matter was raised, I believe, early in the session, I think within the summer session. At that time I gave the House my thinking that that in fact should not be done. It is to my understanding not being done and ceased being done when the matter was raised in the House. I do not agree with that particular line and was not aware of it. When I became aware of it, I certainly put a stop to it.

MR. LINGENFELTER: — Mr. Minister, I wonder if you can indicate to us how many people were involved in sending their application to this office, 102 in the Leg Building, and whether or not you feel that had any ramification on people being turned away from the civil service because they didn't meet the criteria of the transition team? The political implication and overtones that are indicated by this kind of a hiring practice were, I think, unheard of in Canada before this kind of a matter was raised.

HON. MR. ANDREW: — Okay, what had happened I suppose when we took office (and I can vouch for this, because the number of applications I received personally to my office was literally hundreds) wasn't sort of the normal routine of applying to work for government. It was, you have a new government there, I'd sure like to come and work for you, and this type of thing. It was basically used as a clearing house and was not used as a mechanism to hire . . . (inaudible) . . . And that mechanism was basically used to deal with the ministers and people writing to the ministers or writing to a particular

MLA. I think that is not uncommon when you see a government change — that people from all over the boards are saying, “I was doing this for you, or, I was working here; I’d like to see the government do this and I think I can help. And can I have a job?” This type of thing from entirely across the country was coming in, and as I say I received literally hundreds myself in my own office.

MR. LINGENFELTER: — Well, I think the Minister may feel it’s a common practice for hirings to be done in this manner, where people are asked to send their applications to the Legislative Building and to a so-called transition team who will screen the applicants, and I would imagine forward the ones who will pass the blood test. I’m glad to see that has ended, but I think that there is still a great amount of concern in the province and in the civil service about the attitude of this government toward political involvement by people who work for the government.

A follow-up question, I suppose somewhat related to this same matter, is whether the minister can indicate to us tonight when he feels the guidelines, interim guidelines, will be available, in terms of conflict of political interest for civil servants in the province of Saskatchewan, so that the air can be cleared, and people like Harry Van Mulligen and Sharon Young and Mr. Cousineau, and the lists goes on and on, will have some idea as to what the government expects of them in terms of political involvement, or not political involvement, in the province of Saskatchewan.

HON. MR. ANDREW: — Well, without getting in to any specifics, I indicated before that this matter was adjudicated on by the Ontario Court of Appeal. It is now going to the Supreme Court of Canada, and I believe you are going to see those guidelines coming down there. With regard to the supreme court, at that point in time, as I indicated, we would react to that, and try to put in guidelines consistent with the ruling of the Supreme Court of Canada.

MR. LINGENFELTER: — Well, Mr. Minister, I think that for you to say that there are no guidelines in the province of Saskatchewan at the present time is absurd. Harry Van Mulligen was affected very much by guidelines that were involved in a certain crown corporation, Sask Housing, where he was told that he should not be involved. The Premier has stood in this House and agreed with the decision to transfer Harry Van Mulligen to P.A. and that decision was later rescinded. So to say that there are no guidelines in the province of Saskatchewan is not true.

On the other hand the brother-in-law of the Premier, Rene Archambault, who was also a Conservative candidate in Assiniboia-Gravelbourg, was given authorization and approval by the Premier to go and canvass actively in the Prince Albert-Duck Lake by-election. And so to say that you can’t make a decision on guidelines until a supreme court decision in Ontario is simply not true.

What we are asking tonight is if you will give us an assurance that temporary or interim guidelines can be written down so that the employees, who are at a loss right now as to what they are allowed to do, can come to some sort of a conclusion. Because I can tell you, you may think there are no guidelines or try to explain to us that there are no guidelines, but there are very effective guidelines in place — simply by watching the Premier, his actions in dealing with his own brother-in-law and also the actions of another minister, the Minister of Government Services, in dealing with a clerk-steno 2 who was transferred from P.A. to Regina and told not to be involved in politics. So I would like you to square that with us — how you are telling us you can’t have guidelines before the supreme court rules on an Ontario decision. It is very obvious you have

guidelines and what we would like you to do is write them down so everyone can read them, so employees know what they can and can't do.

HON. MR. ANDREW: — Well, I think I was indicating that there's guidelines there. There are guidelines there from the previous administration. They are still in place. What we were looking at doing is maybe suggesting some amendments to those. Our simple answer was: why look at amending them if the supreme court is going to adjudicate on the question? Why not wait until the supreme court comes down with their decision? Perhaps these ones are not even valid at that point in time. But we do in fact have these guidelines. It's in the law. It's covered by the law and if anybody wants to challenge something that we do wrong they perfectly have the right to go to court.

But, you know, I get a little bit annoyed by the sanctimonious attitude of the people across floor when they sort of think that there is no political involvement here or that the Premier is hiring his brother-in-law because of some political thing. I've got a list of people here that you can go through just one after the other.

You have one Harvey Abells who just happens to be the son-in-law of Auburn pepper, and Auburn pepper's daughter, Janet. You can go through the list here. You've got the Premier's daughter hired. You've got Randy Snyder, son of the former minister of government services and labour now working in the Department of Government Services. You've got Tim Whelan, son of Ed Whelan, a former member. You've got John Burton, a former NDP candidate. You've got Zeny Burton who was the wife of the former candidate. Don Cody had a job. He was hired somehow by the government. You go through the list — Don Faris, when he was defeated got himself a job. You had various people that ran for office. You can go through the list if you want. You can go through the list of the number of people. Here is a Barbarie Kramer, daughter of Eiling Kramer. Now that's long list as well. It goes on for pages.

So you sit there in your sanctimonious way saying that somehow these guys have hired a guy that happens to be a brother-in-law of the Premier and naughty, naughty, they are doing something terribly wrong. Well, I'll tell you, my friend, we didn't invent that by a long ways. And that was brought in and that was a policy of your government — to favour defeated candidates, to favour members of the family of defeated candidates, or members of the family of existing members of the legislature, or family members of the people who were NDP candidates federally. We didn't invent that by a long way. You in fact are the people that hired on those mechanisms, hired on those deals, and perhaps you should look at your tactics of hiring over the last 10 years. Then perhaps you wouldn't be quite so sanctimonious in your approaches to the question.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Well, Mr. Chairman, the minister is doing a very good job of skating around an important issue, that being guidelines as would affect civil servants in the province of Saskatchewan. We're not talking about who is hired here or who is

hired there. What we are talking about is what is expected of civil servants in the province of Saskatchewan at the present time.

That is definitely a change where you have people involved in the Conservative Party who are allowed to be actively involved in election campaigns and people who are not involved in the Conservative party being transferred because the government has assumed that in some way they are involved in political activity. It's not a question of whether the Premier's brother-in-law is working and no competition was held and he was the best guy for the job or not. The simple question: do the same rules apply to Rene Archambault as apply to Harry Van Mulligen? Very apparently they don't. That's what we are trying to straighten out, not whether Harry Van Mulligen should be hired or not, or Rene Archambault, but what rules apply to them in terms of political activity. That's what we are trying to get to the roots of tonight, not whether or not you could hire a relative of yours. Of course you could, and be perfectly legitimate if they were qualified for the job and went through the proper competition. What we are talking about is their role in terms of political activity once they are hired and on the job. And the discrimination that exists at the present time, I don't think the people of Saskatchewan can tolerate much longer. Therefore we've required and are requesting that you bring forth some guidelines so people will for once and for all know what they are able to do.

HON. MR. ANDREW: — Well, I think you would refer to section 50 of The Public Service Act as to what people shall and shall not do. Those are the guidelines in law that are put down there. Those are the ones that, if you come back to a legal question on anything, you have to follow. We simply indicated that we would look at further guidelines. We felt that we should have further guidelines in and we will bring those further guidelines in, but we are not going to bring them in until such time as the supreme court rules. Why bring in some guidelines, only to find out that the supreme court says “no you can't do this” or “yes you can do this” or “no you can't do that”? Then we address that. Well, the supreme court is about to deal with that issue very, very shortly. What we will do is wait until such time and then act accordingly and in conjunction with a common-sense application of the supreme court decisions.

MR. SHILLINGTON: — Mr. Minister, that's all we've been asking for since last summer when this thing first blew up, is a bit of common sense. I say, Mr. Minister, that if you want to follow legal precedent, and constitutional law, I'll recommend a decision to you that is somewhat closer to home. I don't know if you've had a chance to read it; written by Judge Dielschneider on an application for an interim injunction, and the applicant was unsuccessful. The applicant was a Harry Van Mulligen. I'd recommend to you the reading of that decision, because he found that to be contrary to that man's rights and contrary to the Canadian constitution. Surely, Mr. Minister, if you want to follow legal precedent, you'd follow the decision handed down in a starkly similar case. I defy you to differentiate the cases of Harry Van Mulligen and Sharon Young. The only difference was that Harry Van Mulligen was an alderman. Sharon Young has no such platform through which to make the injustice of her case known. But the injustice is there as starkly as it is in Mr. Van Mulligen's. If you want to follow some legal precedent, why don't you read Dielschneider's decision and follow it? If you did, you'd send Sharon Young home.

HON. MR. ANDREW: — I find that somewhat strange, coming from a lawyer, to say, “Why don't you follow the legal precedent of Judge Dielschneider?” Clearly legal jurisprudence in the province of Saskatchewan says that you follow jurisprudence which is that decision. That decision is on the books of the law of the province of

Saskatchewan. By way of jurisprudence, we have no choice but to follow. That's the standard law as it exists right now. Anybody that feels harmed or wronged by any decision we made, clearly have the right to go to court and clearly have the right to use the jurisprudence of that particular decision.

MR. SHILLINGTON: — But surely, Mr. Minister, the logic of that decision applies as equally in Sharon Young's case as it did in Harry Van Mulligen's case. Surely the logic applies equally. She was asked to transfer to Regina; she asked for reasons. In a brief interview with the deputy minister, the then deputy minister, she asked the assistant deputy minister, the acting deputy minister, for reasons; she didn't get them. In a brief interview she was asked if she was related to the defeated NDP candidate. She replied that the acting deputy minister knew full well she was. The acting deputy minister then told her that politics weren't welcome in the department and that was just about the whole interview. Now, surely the logic of the Harry Van Mulligen case applies to the Sharon Young case, except that she doesn't have the wherewithal to stand you on your ear the way Harry Van Mulligen did.

HON. MR. ANDREW: — Now, I think, clearly she can file a grievance under the collective bargaining process. That doesn't take a whole lot of money. That's what her union is there to protect her for us. And as far as I know, as of to date she hasn't filed that grievance.

MR. SHILLINGTON: — Well, Mr. Minister, the . . . (inaudible interjection) . . . Yeah, my colleague from Prince Albert said something about . . . mentioned the word Siberia. Prince Albert may have seemed to Harry Van Mulligen like Siberia, but I can tell you that Regina seemed to Sharon Young like the middle of the Sahara. She was just as anxious to come here as Harry Van Mulligen was to go to P.A.

What earthly justification can you provide for transferring a clerk-typist 2 out of her home and community down to Regina? What earthly justification can there be for such a bizarre transfer? Surely, had there been any scintilla of justification for it, it would have been offered by the then acting deputy minister, who offered none. And no justification has been given to this date by the minister or by anyone else for this unusual transfer of a clerk-typist 2. Surely, the only fair and just thing to do is send the poor girl home. I'll make you a deal. If you send her home as you ought to, I won't raise it again. That's all I ask, that Sharon Young be allowed to go home.

HON. MR. ANDREW: — Well, as I understand, that was involved with the realignment of DNS; that was a decision made by the various . . . the particular department involved in it. When the matter comes as a grievance, then the public service commission becomes involved in it. Otherwise it's simply a transfer within that department and within that realignment.

You indicate that she is almost fearful of the large city; that she's living in great fear down here. I simply say that if that's her problem, she clearly has a union there to protect her and that's what they should be doing. It would seem to me that that is the process that they would follow, and we will deal with it accordingly at that point in time.

MR. SHILLINGTON: — I would think, surely, Mr. Minister, you've got some guidelines and every public servant in this province knows what those guidelines are. They're simple, they're clear, and you have applied them consistently, Harry Van Mulligen went to, what to him, was Siberia because he dared to put forth a motion at city council which wasn't entirely in accord with the policy of this government, and that's the reason the

Premier gave. And that's a far more generous position than the one that the Minister of the Environment took, I may say.

Sharon Young showed insufficient discretion in choosing her in-laws, and therefore, she's sent to Regina. Rene Archambault is free to go up to Prince Albert and campaign. As I say, you have a guidelines which is clear; it's understood by every public servant and it's consistently applied. The guideline, Mr. Minister, is this: if you are a Conservative, there aren't any rules, and if you are a New Democrat, there's no protection. Surely, that's the policy you are applying.

HON. MR. ANDREW: — The only comment I have is that it was part of the reorganization. To suggest that the reason that she was transferred is simply that she was a sister of Jerry Hammersmith . . . I haven't heard that particular argument. I think if that argument is to be advanced, then why not have a grievance and simply go through the mechanism of saying that's in fact what has happened?

You are the one that is telling everybody what went on at this particular interview. I was not there; I don't know what happened. And I don't suppose you were there either to know what happened. So I suppose what you were both talking about is second, third or fourth-hand information and when you have that, I suppose — and you and I as lawyers should know that — obviously you have a proper forum to raise those concerns. I doubt very much that she's somehow afraid of that particular forum to raise the question. I would suggest that perhaps you seem to be more concerned about it than perhaps she is. I don't know.

MR. SHILLINGTON: — I am fortunate enough to have a forum in which I can raise it at no cost or inconvenience to myself. So did Harry Van Mulligen, I might say. So did Harry Van Mulligen have a forum in which he could raise it. She's not blessed with holding elected office. That's why I'm raising it and she's not.

Will you at least . . . (inaudible interjection) . . . If you're going to stonewall us on Sharon Young and Harry Van Mulligen, will you at least give us your undertaking that deputy ministers or acting deputy minister will stop harassing public servants who are thought to be New Democrat or related to them? And that is clearly what Mr. Cousineau was doing; that is clearly what he was doing. Why on earth else would he ask a public servant in that sort of interview whether or not she was related to an NDP candidate? For what other reason would that arise, other than to harass her?

Will you at least give assurance that until you have some guidelines (and you deny that the guidelines that I put forth are your guidelines; I may say you're going to have some difficulty convincing the public servants those aren't your guidelines, so long as you continue to act the way you are), will you give us your assurance that the acting deputy ministers will stop harassing public servants who are thought to be New Democrat or related to them? Will you at least give us that assurance?

HON. MR. ANDREW: — Well, you asked two questions. Number one, that this particular employee does not have a quarrel and that you do, somehow. To suggest that a grievance is not a forum, to suggest somehow I think, as the member for Shaunavon, that this person . . . I think the suggestion that he is making is that the person is afraid to go before a grievance. I took it that's what his comment from his chair meant, that she was afraid to go to a grievance for somehow that to go to a grievance would mean some dire consequences for her. I don't believe that exists and I'm quite sure that she doesn't

believe that exists either. So to say that there's not a forum, I think is to stretch the truth a long way. As to what happened with Mr. Cousineau, I would tend to take that information from this Sharon Young if she in fact came to this forum to say what in fact happened, rather than taking it from you. For all I know you simply read it from the *Leader-Post*.

MR. SHILLINGTON: — I can appreciate you people aren't particularly fond of the press you're getting these days. As a matter of interest, I didn't read it in the *Leader-Post*. I took an opportunity that was available to any of you people — none of you seem to have bothered to contact Sharon Young and ask her directly what happened, any of you could have done that. Indeed, I'd be delighted to hear you people deny, either you or the minister in charge, deny that that in fact is what has taken place. The Minister of Government Services has consistently stonewalled and evaded the issue as you are doing now.

Will you at least give us an assurance that you will stop transferring people for political reasons? Will you just give that assurance, that we have seen the last political transfer? Will you at least give us that assurance? I know that my colleague from Prince Albert-Duck Lake has a tenuous hold on his riding. And I frankly don't know anything about Sharon Young's politics. But I suspect that you would stand her presence in Prince Albert-Duck Lake. But that's a bit aside. Will you at least give us the assurance that we have seen the last politically-motivated transfer?

HON. MR. ANDREW: — I can give you the assurance that the public service commission will act within the law. They will act within the collective bargaining agreement, and that's what we are to do. With regard to indicating what a particular department is going to do, again what we have to say is that the public service commission is before the Assembly today, and we will act accordingly to the agreement and according to the law. If that's not good enough assurance, I don't know what else is.

MR. LINGENFELTER: — Mr. Minister, I wonder if you can inform us what the collective agreement is on notice given to employees who are to be transferred. Can you inform us how many days notice are allowed, whether or not there is time allowed for house hunting in the community where they are going? Just give us a brief rundown on that whole area.

HON. MR. ANDREW: — I am advised under the collective agreement that an employer has the power to unilaterally transfer a person at any time without any notice whatsoever.

MR. LINGENFELTER: — So what you're saying then is that in the collective agreement in existence now, there is no time allowed for a person to . . . any notice allowed to transfer to house hunt in the community where they're going to at the present time.

HON. MR. ANDREW: — Apparently there is nothing in the agreement that would be binding. It would simply be how each department would deal with a given employee. With this particular employee, again I must say that the matter has not come before the public service commission because there has been no grievance on it, and until such time as there is, we would not become involved in it.

MR. LINGENFELTER: — Well, Mr. Chairman, and Mr. Minister, maybe you can tell us

what your opinion is on whether or not Sharon Young was treated fairly, given the fact that on the 8th she was told that she was going to be moving — the first she had heard about it — and to report in Regina on the 14th. In your opinion, is that a fair deal to give a person, a clerk-steno 2 from Prince Albert — between the 8th and the 14th — that great amount of time to pack her bags, find a place to stay, and move to Regina? Is this what the employees in the province can expect if they're involved in political activity or related to a politician who isn't of your particular political persuasion?

HON. MR. ANDREW: — I think you make a number of assumptions there. I would like to, before I would express any view of mine as to whether it is fair or not fair, have the setting out of the entire facts of the case, hear all sides of the case, the determination of the case and determine that. It's your suggestion that she had to be moved because she was actively involved in a campaign. I don't know whether she was actively involved in the campaign or not, and couldn't, quite frankly, care. Our view has been, the view of the minister has been, that she was transferred according to the reorganization of DNS. As to how much time is convenient in that particular case, I would not want to express an opinion until I saw all of that. So I wouldn't tend to want to make subjective judgments on a given case when I don't know and the matter hasn't come before the public service commission, or come before a grievance.

MR. LINGENFELTER: — Well, Mr. Minister, the outline that you have set out certainly isn't an accurate one. At no time did I insinuate or refer to the fact that Sharon Young was involved in a campaign. As far as I know, she wasn't. The scenario, as told to us by the individual, is that she was told to report on the 14th in Regina, given notice on the 8th of February, and arriving in Regina, in an interview with the acting deputy minister was told not to be involved in politics.

What we're saying is that this is unacceptable for a great number of reasons. In censuring people like this, the government can exercise a great deal of power. But, I think that it's unacceptable that people who are hired by the government, who are well-known within the Conservative ranks, are not treated that way, in fact, are encouraged, I believe, to go to P.A. and be actively involved in campaigning for the Conservative candidate in the Prince Albert-Duck Lake by-election.

That's the point. I think that what we're seeing here is the blatant use of power by a very large government to stifle political freedom in the province of Saskatchewan, such as we haven't seen since the days of Anderson back in the 1929-30 era.

Mr. Chairman, I think that it's a starting revelation of what this government really thinks about its employees, when you have a young person — a clerk-steno 2 — being treated in that manner.

I would like the minister to once again try to explain whether or not in his mind this is fair treatment of an employee who is attempting to do a job for the people of Saskatchewan.

MR. KATZMAN: — Well, I've listened to some hypocrisy this evening, and I'd like to just remind the member that the federal president of Saskatchewan-Humboldt, who worked for the potash corporation when he got elected Conservative president in 1980, got moved to Saskatoon. Why? Because he got elected Conservative president. So, you're talking about things . . . (inaudible interjection) . . . That's exactly the way it was put to me by this employee. "I got moved out of the Humboldt area because I was a Conservative and I got elected president."

Now, you wanna talk about your little fun and games? Let's go back to a name, Howard Lucas. You might remember him — NDP candidate, ran against me in 1978. After the election, I asked him point-blank: "What were you in it for, Howard?" He says, "Because they promised me a job in labour-industrial relationships." And he got the job! Would you believe it? He got the job. So, don't give me this garbage.

Talk about another man that supported me in '78 in Allan, who had made an arrangement to rent houses to the potash corporation. What happened because he supported me? Your people informed him they couldn't rent houses from him because he supported the Conservatives. You guys talk out of the side of your mouth all the time.

SOME HON. MEMBERS: Hear, hear!

The committee reported progress.

The Assembly adjourned at 10:03 p.m.